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Canada Radio Broadcasting Special
Committee on 1943

SESSION 1943

770

HOUSE OF COMMONS

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(57)

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE [8 Reports]

No. 1

TUESDAY, JUNE 1, 1943

WEDNESDAY, JUNE 9, 1943

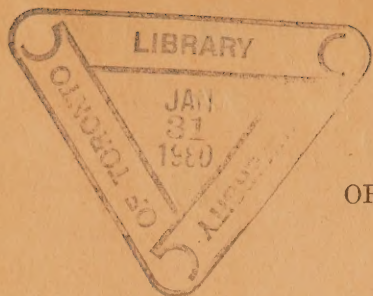
Statement by Major-General the Honourable L. R. LaFlèche, Minister of
National War Services.

WITNESS:

Dr. René Morin, Chairman of the Board of Governors of the Canadian
Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY





ORDERS OF REFERENCE

HOUSE OF COMMONS,
May 7, 1943.

Resolved.—That a Select Committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Bertrand (*Prescott*), Boucher, Casselman (Mrs.) (*Edmonton East*), Chevrier, Coldwell, Diefenbaker, Douglas (*Queens*), Durocher, Fournier (*Maisonneuve-Rosemont*), Hansell, Hanson (*Skeena*), Hazen, Isnor, LaFleche, Laflamme, McCann, Matthews, Mullins, Rennie, Ross (*St. Paul's*), Telford, Tripp, Veniot, and that the presence of at least nine members shall be a quorum of the said committee and that Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, June 1, 1943.

Ordered.—That the said Committee be given permission to print, from day to day, 500 copies in English and 200 copies in French, of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Ordered.—That the said Committee be empowered to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, June 1st, 1943.

The Special Committee on Radio Broadcasting begs to present the following as its

FIRST REPORT

Your Committee recommends:—

1. That it be empowered to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.
2. That it be given leave to sit while the House is sitting.

All of which is respectfully submitted.

J. J. McCANN,
Chairman.

(Concurred in on June 1, 1943.)

MINUTES OF PROCEEDINGS

Tuesday, June 1st, 1943.

The Special Committee on Radio Broadcasting met this day at 10.30 o'clock.

Members present: Mrs. Casselman (*Edmonton East*), Messrs, Bertrand (*Prescott*), Chevrier, Coldwell, Diefenbaker, Douglas (*Queens*), Hansell, Hazen, Isnor, LaFlèche, Laflamme, Matthews, McCann, Mullins, Rennie, Ross (*St. Paul's*) and Tripp.—16.

The Clerk proceeded to the election of the Chairman.

On motion of Mr. Isnor, Dr. J. J. McCann was unanimously elected Chairman of the Committee.

Taking the Chair, Dr. McCann recalled the happy relations of last Session's Committee and he thanked the members for having chosen him to preside again this year over its deliberations.

On motion of Mrs. Casselman (*Edmonton East*),—

Resolved,—That Dr. C. J. Veniot be Vice-Chairman of the Committee.

On motion of Mr. Bertrand (*Prescott*),—

Resolved,—That the Committee ask leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

On motion of Mr. Mullins,—

Resolved,—That the Committee ask permission to sit while the House is sitting.

On motion of Mr. Isnor,—

Resolved,—That the Chairman appoint six members of the Committee to act with him as an Agenda Committee.

The Committee agreed that Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Prescott*), Coldwell, Hansell, Isnor and Ross (*St. Paul's*) do compose the Agenda Committee.

A discussion took place as to the future meetings of the Committee. Two meetings every week were suggested preferably on two successive days. This question was left in the hands of the Chairman.

The Clerk read the Order of Reference dated Friday, May 7, 1943.

After discussion, the Committee decided that, at the next meeting, the Minister of National War Services would be heard following which either the Chairman of the Board of Governors or the General Manager of the C.B.C. would address the Committee.

With respect to the Committee's deliberations, the following questions were raised:—

1. To what extent were last year's recommendations of the Committee carried out by the Government?
2. Will the Committee inquire into the legal status of the C.B.C.?

On motion of Mr. Isnor,—

Resolved,—That the General Manager of the C.B.C. present a statement indicating what action has been taken in reference to the establishment of a Short Wave Station and Service as recommended by the Committee in its second report to the House on July 7, 1942, showing as well the total cost.

The Committee's next meeting was tentatively set for the middle of next week and on motion of Mr. Coldwell, the Committee adjourned at the call of the Chair.

WEDNESDAY, June 9, 1943.

The Special Committee on Radio Broadcasting met this day at 4 p.m. Mr. J. J. McCann, Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Bertrand (*Prescott*), Boucher, Chevrier, Coldwell, Diefenbaker, Durocher, Hanson (*Skeena*), Hazen, Isnor, LaFlèche, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, and Tripp—17.

In attendance: Dr. René Morin, Chairman of the Board of Governors; Rev. Dr. James S. Thompson, General Manager and Dr. Augustin Frigon, Assistant General Manager of the Canadian Broadcasting Corporation.

As agreed at the last meeting, Major General the Honourable L. R. LaFlèche, Minister of National War Services made a statement respecting the position, objectives and future of the C.B.C.

The Minister congratulated Dr. Morin for the honour conferred recently upon him by the University of Montreal. He paid tribute to the late Mr. N. L. Nathanson and to the late Mr. Edouard Beaudry killed in North Africa on his way to the Casablanca Conference on a special assignment.

The Minister tabled a copy of amendments to the Canadian Broadcasting Act, 1936, as approved by P.C. 9152, dated October 6, 1942. Copies of the Act and By-Laws with amendments were forthwith distributed.

The Minister was questioned on the appointment of the Board of Governors. He gave its present composition.

The Minister was also questioned on the legal status of the C.B.C.

Reference being made to it, the Chairman read a letter dated April 4, 1941, from the Deputy Minister of the Department of Justice to the General Manager.

Dr. René Morin was called and examined.

He reviewed the affairs of the Corporation in the light of last year's recommendations of the Committee.

Witness tabled an extract of the minutes of the Board of Governors dated February 8, 1943, on the establishment of a staff pension fund for the benefit of the C.B.C. employees. Copies were distributed.

At the request of Mr. Coldwell, copies of Orders in Council P.C. 2102 and 2233 relative to the appointment of Mr. Chase and Mrs. Sullivan to the Board of Governors will be available to the members of the Committee. Copies of Orders in Council P.C. 7933, 7934, 8168 and 9152 will also be obtained.

Witness was retired.

The Committee adjourned until Friday, June 11, at 11 a.m., when the General Manager of the C.B.C. will be examined.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 9, 1943.

The Special Committee on Radio Broadcasting met this day at 4 o'clock p.m. The Chairman, Dr. J. J. McCann presided.

The CHAIRMAN: Mrs. Casselman and gentlemen of the radio committee, I am sorry that it was necessary to call this meeting for the afternoon, but special circumstances over which we had no control made it necessary and on account of the fact that we had made arrangements for a meeting to-day it was thought to be advisable to hold it in the afternoon rather than not have a meeting at all.

However, I think it is the general feeling of the members of the committee that we should not make it a practice. We shall try to arrange for the meetings to be held in the morning at a time that will be convenient to the members of the committee.

I think we shall follow very much the same order as we did last year with reference to the agenda of business. I propose to call upon Major General LaFleche, the minister in charge of radio, to make a statement. General LaFleche.

Major General L. R. LAFLECHE, Minister of National War Services, called.

Hon. Mr. LAFLECHE: Mr. Chairman, Mrs. Casselman and honourable gentlemen, it was intimated to me that I would do well to write out my remarks. I dictated them earlier to-day; I appear before this committee, Mr. Chairman, with a few sheets of my not lengthy remarks still to come up.

Last year, on May 6, 1942, to be precise, a House of Commons Special Committee on Radio Broadcasting held its first meeting. With some few exceptions this committee is composed of honourable members who sat last year. We have the same competent chairman and, generally speaking, the members of this committee are well acquainted with the matters reviewed.

My predecessor, the Honourable and learned Mr. Justice Thorson placed much material on the record last year. Due to his kindness there is to be found published in the proceedings of last year's special committee the Act setting up the Canadian Broadcasting Corporation and the pertinent orders in council. It will therefore not be necessary for me again to cover the same ground.

It will be recalled that the Prime Minister, early in the present session of parliament stated that there would be a Special Committee on Canadian Radio Broadcasting this year. For a number of reasons, all beyond our control, the setting up of the committee was somewhat delayed.

The references to this committee are precisely those of last year.

The first meeting of this committee was held on the first day of this month when it was agreed that I would make a statement and would be followed by either the chairman of the Board of Governors or the general manager of the Canadian Broadcasting Corporation. The former is one of the group of the new spring crop of doctors; last week the University of Montreal conferred an honorary doctorate upon Mr. Rene Morin and I am sure that all the honourable members of the committee join with me in voicing hearty congratulations. When Mr. Morin's term as member and chairman of the Board of Governors of the C.B.C. ended late last year, he very kindly agreed to carry on, for which I am grateful to him.

The Rev. Dr. J. S. Thomson will appear before this committee in his new capacity as that of general manager and I am sure that all will wish him every success in his new position, which I am convinced is replete with difficulties. It would seem appropriate to record the fact that Dr. Thomson has taken over his new duties for a time and at the same rate of salary as he received as president of the University of Saskatchewan. Dr. Thomson succeeds a gentleman, Major Gladstone Murray, who was gallant in battle and, later in the intervening days of peace, brilliant in radio work both with the British Broadcasting Corporation and with the Canadian Broadcasting Corporation.

The Canadian Broadcasting Corporation is now old enough to have to regret a number of those no longer connected with it but who, in their day, gave of their best in the building up and the developing of the organization. Some are no more, while some have gone to other occupations, but I feel that all who have helped with the work of the corporation will ever be proud of their connection with this national undertaking, and at this time it is with deep regret that I refer to the death of Mr. Edouard Beaudry, who lost his life in North Africa—a casualty of this war.

For all practical purposes radio has come to civilization and has been developed within the lifetime of the youngest person present. As a matter of fact, radio, as we know it, began after the first great war. It has assumed a very great importance and has become one of the principal means of communication. In military terms, radio is a war machine, a war weapon. With it one plays upon the minds and hearts of men. It can be used to strengthen the moral fibre of a people at war or it can be used to demoralize those far behind the fighting front. In a war where everything we have is at stake, as at the present moment—everything from property to liberty and life—at such a time it is to be remembered that the radio is essential in total warfare. As we are at war against a powerful foe and also because we have not yet won the war, this weapon should be used to the utmost in order to help bring about the downfall of the enemies who attacked the peaceful nations of the world and against whom, thank God, we are able to fight back and, I believe, able to bring about their complete defeat.

With your permission, Mr. Chairman, I should like to express some thoughts about the Canadian Broadcasting Corporation, its position, its objectives and perhaps something about its future. As already arranged, the chairman of the Board of Governors and the general manager, together with other officers of the corporation, will be available to give details of the operations whenever the committee may so desire.

It has already been stated that the C.B.C. exists because of an Act of parliament—the short title of which is the Canadian Broadcasting Act, 1936.

As has already been stated by the Prime Minister and by my predecessor, the corporation is not a department of the government. On February 8 of this year the Prime Minister said, "Certainly the government's view is not that the Canadian Broadcasting Corporation is a department of government. It is not; it is a separate corporation. It is, however, a corporation with respect to the affairs of which the government is of the opinion that a committee of this house may be appointed to discuss. There is this difference. The fact that we are having a committee on the Canadian Broadcasting Corporation makes clear that it is in a different category, vis a vis the house from other corporations."

Last year, before this committee, Mr. Thorson said as much. Without contradiction I think it might be said, in other words, with perhaps a fuller appreciation by the public, that the Canadian Broadcasting Corporation of presently considerable value and of potentially very great value, belongs to the people of Canada, is operated by a Board of Governors reporting to the

minister and through him to the government, parliament and to the real owners, the people of Canada.

In the main, with but very few exceptions and those are precisely set out in the Act, the corporation is an independent body. As I said before, there are some few and obvious exceptions, such as the necessity to report to the minister and also to ask for the approval of the Governor General in Council in matters when any expenditure in excess of \$10,000 is involved, and there are a few others. It has already been well stated that the organization is a separate corporation but subject to the provisions of the Canadian Broadcasting Act.

Since the committee met last year there has been one amendment made to the by-laws of the corporation. As a matter of fact, the amendment was made as a result of the deliberations of the committee last year. You will remember that in 1941 the by-laws relating to the general administrative set-up—the general manager, assistant general manager and chief executive—were revised and amended. I understand it was the opinion of the committee, last year, that the revision led to an undesirable division of authority. Accordingly, on October 6, 1942, the Governor General in Council, by P.C. 9512, approved the cancellation of the 1941 amendments and the reinstatement of the original by-laws, which made the general manager of the corporation the chief executive officer.

As the honourable members of this committee know, the Governor General in Council appoints the members of the Board of Governors. Since last year Mrs. Nellie McClung has left the board because the state of her health did not permit her to carry on. Because of the services rendered by Mrs. McClung I am sure the corporation is greatly indebted to her. It was my purpose to make certain that the womanhood of Canada would continue to be represented on the Board of Governors of the Canadian Broadcasting Corporation. I also deemed it advisable and fair, as you gentlemen did, that the viewpoints of agriculture and of labour should be made known and advanced by competent persons sitting on the Board of Governors. It was also necessary and desirable to provide for geographical representation as circumstances would best permit. I believe that in Mrs. Sutherland the board will find a worthy successor to Mrs. McClung, that the interests of those engaged in agriculture will be constantly brought to the attention of the Board of Governors and that at least one-half of our total population—the members of the opposite sex—will have someone on the board to remind all concerned that man owes his very life to woman, and that the women of Canada provide, under divine providence, that inspiration and constancy without which we cannot live as a nation, certainly not during these terrible years of war.

I might add that I am not satisfied that one woman only on the Board of Governors is sufficient, but to change the composition of the Board of Governors is a matter of time—and one cannot deal with vacancies before they occur.

The second new appointment to the Board of Governors is that of Mr. Howard B. Chase, who, in my opinion, will bring strength to the organization. Mr. Chase is widely known as one well acquainted with the many and the complex problems of labour, the requirements, as men and women, of those who toil, and their needs, whether they be of the soul, of the mind, or of the heart.

But in the last few days there has occurred the death of Mr. N. L. Nathanson, who was a member and the vice-chairman of the Board of Governors. As I took over the Department of National War Services only a few months ago and as Mr. Nathanson was ill during this time, it was never my privilege to meet the regretted gentleman, but many have told me of the excellent work he did for the corporation. It has even been explained to me that if the Canadian Broadcasting Corporation is in an excellent financial

position, the fact is largely due to Mr. Nathanson's knowledge and perseverance. I am sure that all will join with me in expressing regret to the family on the passing into eternity of Mr. Nathanson who not long ago occupied himself with the work upon which we of this committee are to-day intent.

Now that we have mourned him who has gone before us, may I say that it is my intention to proceed as quickly as possible with appointment of a conscientious, efficient and helpful replacement to fill the vacancy which now exists on the Board of Governors. While speaking of appointments to the Board of Governors, it is well to record the opinion expressed by this committee last year to the effect that the governors should be "men and women of outstanding ability, capable of commanding the confidence of the Canadian people, willing to devote a large part of their time to the work of the corporation and able to make a definite contribution to the work of the corporation as instruments of national purpose in peace and in war". Let me add that the oath of office to be taken by each governor effectively lays down, to my mind, certain commendable conditions, and here is the oath:—

I do solemnly swear that I will faithfully, truly and impartially, to the best of my judgment, skill and ability, execute and perform the office of Governor of the Canadian Broadcasting Corporation, and that, while I continue to hold such office, I will not accept or hold any other office or employment, or have any pecuniary interest, direct or indirect, individually or as a shareholder or partner, or otherwise, in broadcasting or, in the manufacture or distribution of radio apparatus.

And the new governor says, "so help me God."

I have reason to believe that you will be satisfied with the financial operations of the corporation during the last year. It is pleasing to see that the indebtedness to the dominion government has been liquidated, leaving the corporation in the happy position of owing only current accounts. If only everybody could say the same thing, Mr. Chairman?

I have enquired from time to time about the shortwave station. Indeed I have had the opportunity of enquiring of manufacturers of radio equipment about which, in these times of great difficulties in regard to priorities, some more or less delay must be expected. To the best of my knowledge, the corporation has proceeded as rapidly as possible with the new shortwave station. I believe that some advantages even accrue to Canada because of the initiative shown by those directly concerned in this manner of obtaining earlier than expected priorities.

Perhaps one of the most satisfying features of the operations of the corporation during last year is the progress made in regard to the views expressed by this committee last year. When the details are given you later by those who have fuller details in their possession than I, I think you will be satisfied. I believe you will find that careful attention has been given to all these matters by the Board of Governors and that these several points have been given the consideration which their importance warrants.

I have not yet mentioned Dr. Frigon, the assistant general manager, whom I appreciate, and I know is widely appreciated, as one of Canada's foremost radio technicians.

It is a matter of regret to me that I am not in a position to speak with authority upon the merits of the members of the staff of the corporation. This task, pleasant, I trust, I must leave to the chairman of the board, the general manager and the assistant general manager.

In my earlier remarks I brought out that the Canadian Broadcasting Corporation is about as independent and separate a corporation as could be arranged if the people of Canada are to remain the owners of the property.

Accordingly it is necessary that the corporation report to ministerial authority. As a matter of fact, as explained last year to this committee, the authority in respect of licences lies with my colleague, the Minister of Munitions and Supply. This, it has been borne in upon me, is a division of work which preserves to the corporation in the matter of licensing valuable continuity of knowledge and practice. At times, the thought has occurred to me that all might be centralized under one minister but upon reflection and observation, I have learned that the present procedure works smoothly and well. Until there is proof to the contrary, it would not to me seem wise to attempt any change in this respect, at least for the present. Time may teach its lessons but it can now be said that existing methods serve well their purpose.

Mr. Chairman, permit me to point out that I receive a relatively small number of representations from time to time which should be addressed directly to the Chairman of the Board of Governors or to the corporation. Matters of concern to the corporation are passed to them by me when I receive them. My concern is to see that the Board of Governors make a great success of the Canadian Broadcasting Corporation, and in doing so, do so in fairness to all concerned, without fear and without prejudice operating for or against any person or group with the one exception, and that is the enemy.

That property of the people of Canada known as the Canadian Broadcasting Corporation is already intrinsically quite valuable—what its future value may be remains to be determined. At any rate, we are dealing with the affairs of a valuable piece of property of organization which in varying degree is within the safekeeping and trust of each one of us.

To retain its position of national, and let us hope, international importance, the corporation must keep abreast of the times and give effect to new ideas as long as they are sound and feasible. The equipment must be kept up to date in so far as possible, respect must be shown to the position of all those from top to bottom who labour within the corporation as long as they are ready to give loyal and efficient service. The most careful scrutiny of the nature and demands of the Canadian public in regard to suitable programs, high ideals, always striving to better things, should be guides to all concerned because it is fully possible, with the radio, to cultivate a taste for sound information and to cultivate the public taste to a higher and higher order. Through this medium, particularly now, it should be the purpose to teach real patriotism. The duties and the responsibility of all loyal subjects in Canada and a love for decency and honesty are sound things to be kept in mind.

In the matter of radio broadcasting as in so many other respects, Canada occupies a midway position between Great Britain and the United States. In Great Britain, broadcasting is controlled by the crown, whereas in the United States, radio is privately owned. In Canada we have both systems and I have not yet observed any thing which has convinced me that we should be better off with either one or the other system alone. It is a matter for serious consideration whether it were wise to make up our minds in regard to this matter whilst Canada is engaged in war, or even until some time after the war is over, until victory is won, and we are well advanced in the reconstruction work which must necessarily follow this war.

I take the liberty, Mr. Chairman, of inviting each honourable member of this committee to help me foster and encourage the true interests of the corporation which after all are the true interests of our country, Canada. I thank you.

The CHAIRMAN: You have heard General LaFleche's statement; are there any questions or any comments which you wish to make?

By Mr. Coldwell:

Q. I should like to ask how the members of the Board of Governors are appointed?—A. By order in council.

Q. By whom?—A. On my recommendation.

Q. With regard to new members—Mr. Chase and Mrs. Sutherland—were they appointed because they were looked upon as representatives of labour and of agriculture respectively, as well as of womanhood in the case of Mrs. Sutherland?—A. I have known Mr. Chase for some time, since early in the war, and I have observed at close range the work and capacity and the personality of Mr. Chase. I knew him, I knew his standing in the labour world. I was extremely glad, because of my knowledge of him, to recommend him. Yes, he is there to protect and to bring out the facts concerning the interests of labour; but careful consideration has to be given to the point of whether any one governor represents only one point of view. I like to think of governors or all members of a board or of a commission or of any body of that kind as having particular knowledge of a particular field but as being broad-minded and of a broad observation and intelligence which makes them capable of looking upon the whole and not only upon one segment; and from that light I think Mr. Chase is an excellent choice.

Q. I am not disagreeing with you; but the point I was making was this, that in the appointment of persons whom you looked upon as representing particular interests, was any consultation invited by you as the minister from labour organizations or from agricultural organizations to make sure you were getting persons who really met with the approval and had the confidence of the organizations which you sought to have represented on the board? I was not criticizing the appointment.—A. I myself consulted no person. As I explained, I had known him for nearly three or, perhaps, more years. I did ask another person to make enquiries, and he did, and he gave me that name.

Q. Were any of the agricultural organizations invited to submit names or were they consulted regarding the other appointments?—A. To my mind I have answered that question. I should like to return to this other point when I have explained exactly what happened. In other cases I have discovered very great difficulty in going to those directly concerned in any one of our great occupations, because one finds that there are sometimes a multiplicity of persons or groups of persons who claim—might claim rather—to be in a position to represent the whole occupation; and it puts a person seeking to find the best person he can in a very difficult position.

Now, as to Mrs. Sutherland, I have never had the honour of meeting the lady, whereas, as I said before, I have known Mr. Chase during this war. Mrs. Sutherland was recommended to me—I wanted a woman on the board—Mr. Graydon and I had some friendly words in that regard in the house—I could not let the board go without a woman on it, and as I said earlier, I think women should be right up in front in this regard. I had to make inquiries with regard to a woman member of the board, and I wanted her to come from the west because of the geographical difficulty as regards representation, and I wanted someone who knew the agricultural point of view; and Mrs. Sutherland was recommended to me by persons in whom I have confidence. I recommended her on the strength of those recommendations.

By Mr. Boucher:

Q. Do I infer that you do not deem it a wise policy to refer to organizations representing a certain class of people in Canada to nominate from their number a representative to the Board of Governors, but that you prefer to keep the alternative in the department itself to make most representations?—A. I do not want to hide my views, and I do want to answer questions as best I can.

Mr. HANSON: You could not get the farmers all over Canada to agree anyway.

Hon. Mr. LAFLECHE: I tried very hard to explain some difficulties when Mr. Coldwell put his questions earlier to me this afternoon. I have no particular policy, as far as I am concerned, in the matter of recommending persons to be named as governors of the corporation or anything else; I seek the best person I can get.

By Mr. Coldwell:

Q. When the minister recommends, does he recommend one name, or more than one name?—A. No, I was precise. I was in a hurry, as a matter of fact.

Q. I am thinking of the Broadcasting Act which places the responsibility for the appointment of the Board of Governors squarely on the cabinet as a whole and not on any particular minister.—A. I made a recommendation and council put it through.

Q. I realize that; but I was wondering if more than one name were submitted for the office?—A. Not in my recommendation, no. I heard of a number of people, but these two persons were quite outstanding—I dislike to say it, but they were nearly alone because of their declared superiority for this office.

Q. I am trying to get clearly in my mind the manner in which the Broadcasting Act has been administered by the government and by the responsible minister. It is a strange Act. Last year we had several different opinions regarding what the Act might mean. I agree with what General LaFleche has said and with the statement made by the Prime Minister in the house in February that this is a corporation independent of government control, and I wanted to see to just what extent the minister himself regarded it as being independent of ministerial control, because I think it is important to realize that while the minister in giving his statement spoke in the first person, the responsibility is with the government, and the minister has, I take it, no authority over the board or over the corporation?—A. I think the statement that you permitted me to read into the record a moment ago was as clear a statement of the situation as I can contrive to give you. You have excellent authority now beginning with the Prime Minister and with my predecessor, and I come along and say the same thing. I also added, if you will recall, that I cannot conceive of making it more independent or more separate if the property is to be the property of the people of Canada.

By Mr. Boucher:

Q. To what extent have the existing members of the Board of Governors any influence or even any practice in making recommendations for the appointment of additions to their number as governors?—A. I can only say that, in the two appointments mentioned here this afternoon, I did not consult the Board of Governors.

By Mr. Hazen:

Q. For how long are the Board of Governors appointed?—A. Normally for three years. But, at the beginning, the term of office was staggered so that they would not all complete their terms at the same time.

Q. At the end of their terms, you can recommend them to be reappointed or you can recommend that somebody else be appointed?—A. Quite right. They are eligible to be reappointed.

Q. It is hardly an independent corporation, in those circumstances, then?—A. Well, I do not know. I said earlier this afternoon—and I am speaking as frankly as a man can—that I cannot conceive of any greater independence.

By Mr. Boucher:

Q. They are not reappointed by virtue of any authority or recommendation held by the Board of Governors but entirely upon the prerogative of the minister?—A. That is right as I have already explained.

Q. Or as he recommends to the Governor General in Council?—A. That is right. May I say a word in reply. I had nothing whatsoever to do with writing the Broadcasting Act of 1936 and I had nothing to do with it except as a listener to their programs until a few months ago. I have thought out that point, and I think this is a probable reason why they make the governors appointees of the privy council. Some one must be in a position to see that the Board of Governors make a success of their undertaking. There is provision in the Broadcasting Act for removal for cause. Surely some higher authority must be cited and must be in a position to take such action. That, in itself, when I thought it over, entirely satisfied me. In addition, it is quite a usual thing; it is quite a normal thing.

Q. As minister, what would be your opinion as to officials, or the Board of Governors upon recommendation of their officials, making requests for the appointment of certain men or representatives of certain interests?—A. May I say this: If such action were taken, I would give very serious consideration to such recommendations. I certainly would.

Q. Would the same thing apply to the reappointment of representatives on the Board of Governors when the occasion arises?—A. I would give serious consideration to such recommendations, of course.

Q. Then you would say that, to date, there is really no system of classification of members on the Board of Governors other than what you have stated so far as being representatives of geographical and as we might say, economic or social groups?—A. Well, the appointments for which I am responsible, or which I recommended, in my opinion, bring into effect the wishes of all concerned, including those of this committee of last year, in the persons of Mr. Chase, who is in a position to speak with authority and competency on matters concerning labour, and Mrs. Sutherland, who it is true, was chosen primarily because she was a woman. I would not have had it otherwise. But in doing so, I made it a condition that I wanted some one who could best keep before her colleagues the interests and the problems, the tastes and the needs of our farming population. I tried to kill two birds with one stone.

Q. As to whether or not the Board of Governors is constituted to represent the most interested sections of our country, you might say, is purely and simply and absolutely the responsibility of the Governor General in Council, upon recommendation of the minister?—A. Will you repeat that question? I am sorry I did not catch it.

Q. As to whether or not the Board of Governors is properly representative of the interests most concerned or most vital to the welfare of the broadcasting corporation, is entirely the responsibility of the Governor General upon recommendation of the minister in charge?—A. The board as it exists today is composed of persons nominated, appointed by the Governor General in Council.

By Mr. Tripp:

Q. As the Board of Governors is confined to nine members, is it possible to have all vocations represented?—A. Certainly not. There are dozens—yes, scores, if not hundreds, of different occupations. Earlier this afternoon I did bring out the fact of having encountered this same difficulty in other cases, having nothing to do with radio, but on commissions or on committees; it is not possible, without having as big a body as the House of Commons, to do justice to all the several and many different occupations and interests in our

country. Even in our House of Commons there are, I am sure, many occupations that are not represented.

By Mr. Ross:

Q. What are the names and occupations of the Board of Governors? Would you put that on the record?—A. I handed in my paper.

Q. Did you mention that information in your paper?—A. No, I did not read it out. Here it is. You will find it on the inside cover, or of the frontispiece, rather, of the Canadian Broadcasting Corporation's annual report, of which you have a copy. Mr. René Morin is the chairman. The late Mr. Nathanson was the vice-chairman, and that is the only existing vacancy on the board now. Mrs. Nellie McClung has been replaced by Mrs. Sutherland. Mr. Godfrey of Halifax sits as a governor. Rev. Canon Fuller does also. Major General Victor Odlum was replaced I think, by Mr. Holland of Vancouver. Dean Pouliot sits as a member of the Board of Governors. Dr. Thomson's vacancy was filled, but not geographically because it could not be contrived. Canon Fuller sits for Saskatchewan. Dr. Thomson's vacancy was filled by the appointment of Mr. Chase. Then there is Mr. Charleson of Ottawa.

Q. What are the occupations of all these people?—A. Mr. Morin is general manager of the General Trust Company. Mr. Godfrey is a barrister. Rev. Canon Fuller, of course, obviously is a clergyman. Mr. Pouliot is the dean of sciences at the University of Laval in Quebec city. Mr. Holland is a barrister and solicitor. Mr. Charleson is a lawyer. Mr. Chase is one of the high officials of one of our great unions. Mrs. Sutherland is a housewife, I suppose.

By Mr. Isnor:

Q. If you are through with the Board of Governors, I should like to ask the minister if I understood him correctly with reference to the repayment of loans. I see in the report, the latest report, that there is \$503,000 still outstanding. That is a liability?—A. I think you will find, when you get the up-to-date figures, that that is paid in its entirety.

The CHAIRMAN: That is to the end of 1942. That is the last report we have.

By Mr. Isnor:

Q. That has been paid off during the 1942-43 period?—A. That is right.

By Mr. Ross:

Q. Is your 1943 report out yet?—A. Well, I must ask about that. I have not had it yet.

By Mr. Isnor:

Q. I was going to ask one other question.—A. May I just say something here. Accounts of bodies such as this close, of course, on the 31st of March. But universal practice is to give them some little while in which to close their books.

Q. The other statement I was not quite clear about was this. You referred to the collection of revenue—licence fees, I suppose you meant—coming through the Department of Munitions and Supply. I was under the impression that that was through the Department of Transport.—A. You are right. I was speaking of the authority to grant or refuse licences to broadcasting stations.

Q. There are really three departments interested in the Canadian Broadcasting Corporation in that case?—A. If you will, in that the funds required by the corporation are taken from the proceeds or receipts of the licences which you and I buy; \$2.50 a year, I think it is.

Q. I would say three would be interested because the licence fees amounted to \$3,000,000 during the year closing March 31, 1942; to be exact, \$3,485,321.92. Then there is the Munitions and Supply Department and the Department of War Services. So that would be three departments?—A. If you will. But I think the Department of Transport is the usual collecting agency. It runs that work in connection with its radio division. They are the collecting agent for the licence fees paid by owners of radio receiving instruments. They turn over that money.

By Mr. Hanson:

Q. The Department of Munitions and Supply has nothing to do with it, has it?—A. Well, the minister has anyway, as I understand it.

Mr. COLDWELL: I have a question or two before we go into the financial report. I thought possibly the questioning was going to follow the Board of Governors and the minister's address.

The CHAIRMAN: I think we should confine the discussion for the time being to the minister's statement. Mr. Isnor is quite in order because the minister made reference to what he asked about.

By Mr. Coldwell:

Q. I wanted to follow by asking a question about the by-laws. I understood the minister to say that during the recess, in October I think it was, the by-laws adopted on March 24, 1941, were cancelled. Were the previous by-laws reinstated or what happened?—A. Back to the status quo.

Q. There were previous by-laws. I have the form of the amendments to the by-laws here; and those amendments were adopted at Ottawa on March 24, 1941. They cover two and a half pages in this list of by-laws. I just wondered what the minister had reference to, and how it was done.—A. For the purpose of the record, Mr. Chairman, that will be found as addendum No. 2, amendments to section 6, 7 and 8 of the by-laws of the Canadian Broadcasting Corporation, approved by P.C. 9152 on October 6, 1942. Would you care to see this?

Q. I have just got it now, thank you. That really restores the by-laws to the position they were in before the amendments were made on March 24, 1941. That is my understanding.—A. In my brief remarks this afternoon I said they restored the position of the general manager as the chief executive officer.

Q. As I understand it, there is now no executive committee of the board; the division that we commented upon last year has been discontinued.—A. I do not believe that they have an executive committee.

Q. We can ask the chairman of the Board of Governors about that.—A. I hesitate because I have thought about that; so I think I shall wait and I shall bring forward my views at another time on that particular point, if you do not mind. The point is this, and it is a very simple one. It seems to me that a Board of Governors or a Board of Directors which is not large, with only nine members, if it can get along efficiently, might be as well not to concentrate too much work and other things in the hands of a smaller body. My views are somewhat contrary to what the committee expressed last year; but after all, you know I am a newcomer at this.

Q. We went into it rather thoroughly last year.—A. It is an opinion.

By Mr. Hanson:

Q. The changes made in amendments of October 6, 1942, are practically along the lines that this committee recommended last year, as far as I can see.—A. I said in my remarks this afternoon, Mr. Hanson, that I believe you will

be quite satisfied when you hear in detail what has been done in regard to your suggestions of last year. I questioned a number of times on that, and I thought the Board of Governors had given very careful attention to those matters.

The CHAIRMAN: Are there any further comments or questions arising out of the statement made by General LaFleche?

By Mr. Ross:

Q. I should like to ask one more question and it is in connection with the independence of the corporation. It is a separate corporation, as the minister has just said. There are two factors that enter into that, though. If it is a separate corporation, how is it that it does not pay taxes on properties? How is it that its employees are not allowed to organize?—A. Well, I do not want to be facetious; but the only answer that comes to my mind at the moment is by the grace of God and the forgetfulness of the Minister of National Revenue.

Q. I do not mean federal taxes. I mean municipal taxes.—A. I will have to look into that. It is a new question to me. Perhaps it has been brought up before, but I do not recall it.

Q. It has never been answered.—A. Has it been brought up before?

Mr. COLDWELL: Yes. It was brought up four or five times last year.

Mr. Ross: Yes, it has been brought up before.

Hon. Mr. LAFLECHE: I thought I had read the six inches depth of last year's report, but I must have been dreaming when I came to that. We can go into it, if you like. But really, as a fellow member of this committee, might I ask if there is a point in that?

By Mr. Ross:

Q. I should like to know. We can bring it up later.—A. Are you seeking a precedent?

By Mr. Boucher:

Q. I think it is a material point in this respect. If the C.B.C. is a government corporation, then its holdings have the same status as government-owned property. That is one aspect of it. If, on the other hand, it is an independent corporation, it must be liable to the obligations and the advantages of the individual enterprise in that status. It is, I think, material as to whether or not we will establish a third status, and as to which of the other two we put the C.B.C. in, because it has many ramifications both in regard to municipal taxation, provincial regulation and dominion legislation.—A. May I ask a question? I do not know whether Mr. Boucher has in mind that it would be advisable for the corporation to pay municipal taxes or not.

Q. I have not any viewpoint on that, Mr. Minister.—A. All right, sir.

Q. But I should say that we as a committee investigating the corporation's activities should have its status very clearly set out, and very clearly in our minds, without leaving any uncertainty on that question.

Mr. COLDWELL: I think what Mr. Boucher and Mr. Ross were both getting at is this. On some occasions we are told the corporation is an independent corporation rather than a department of government and therefore is subject to certain protection. Then at another time—when, for example, the employees tried to organize—we were told they could not organize because they were virtually civil servants.

Mr. BOUCHER: That is one aspect, an important one.

Hon. Mr. LAFLECHE: May I say a word?

Mr. COLDWELL: You cannot have it both ways.

Mr. Ross: Another aspect which is quite important is in connection with investigations. I think our terms of reference are quite sufficiently large for us to examine the minutes of the corporation if it is a government organization; on the other hand, it has always been said that it is an independent corporation and we have no right to examine the minutes of the Board of Governors. Some time we may want to examine the minutes, as we did on several occasions before. There is this one point—

Hon. Mr. LAFLECHE: I should like to say a word about Mr. Coldwell's point and Mr. Ross' point, if I may.

The CHAIRMAN: Proceed.

Mr. ISNOR: Have you read the reference into the minutes?

The CHAIRMAN: Yes, at the first meeting the terms of reference were read into the minutes.

Hon. Mr. LAFLECHE: With regard to Mr. Coldwell's observation, I believe, as to the employees, it may interest the committee to know, Mr. Chairman, that not long ago I suggested to the corporation that that point might be gone into again. They now have somebody in the person of Mr. Chase who knows intimately all the details on such matters. I do not know how far they have gone into that; it was not long ago I made the suggestion.

Mr. COLDWELL: That is a question of law.

Mr. Ross: There is another factor in connection with the employees, and that is this: are they civil servants or are they not? I understand they are not civil servants in the ordinary sense of the word and therefore they are not eligible for the pension scheme and so on of the civil service. However, we can come to that afterwards.

Hon. Mr. LAFLECHE: I wish you would keep in mind what I said a moment ago. I have made a suggestion that this matter be taken up again and to go deeper into it. I want to know what is what.

Mr. COLDWELL: That is not a question for the Board of Governors or Mr. Chase, as I understand it. There is a legal interpretation which has been given by the Department of Justice. It seems to me to be a strange interpretation of the corporation's position regarding organized labour. That is not a matter for Mr. Chase it is a matter really for the Department of Justice to reconsider its decision.

Hon. Mr. LAFLECHE: Mr. Chairman may I say in reply that I can see no better way than to get a fresh mind on the problem.

Mr. COLDWELL: Mr. Chase unfortunately is not in the Department of Justice.

Hon. Mr. LAFLECHE: No but the members of the Board of Governors surely are interested in these matters.

Mr. COLDWELL: I know they are.

Hon. Mr. LAFLECHE: I could not see any better way than to ask the corporation itself to bring up the matter again and have a look at it.

Mr. Ross: The other question—

Hon. Mr. LAFLECHE: As a matter of fact I am a bit disappointed I thought it was a very good suggestion.

Mr. Ross: The other question asked you had to do with the minutes. We have been told in the past that we have no right to examine the minutes of the Board of Governors because it is a separate corporation. At times we have wanted to examine the minutes and that is another point that comes up.

Hon. Mr. LAFLECHE: We will come to this later. I want to say now that I would imagine public interest would have to be taken into consideration and I am sure it would be.

Mr. CHEVRIER: Has an opinion been sought from the Department of Justice on the legal status of the C.B.C.?

Mr. COLDWELL: In relation to their employees.

Mr. CHEVRIER: Has that been placed on the record?

Hon. Mr. LAFLECHE: I recall it in last year's record. Has the Department of Justice ruled in regard to the employees?

Mr. CHEVRIER: Yes. My point was whether an opinion was sought by the minister last year or by a member of the Board of Governors as to the status of the C.B.C concerning the right to organize.

Hon. Mr. LAFLECHE: Yes it was.

Mr. CHEVRIER: Was it placed on the record?

Hon. Mr. LAFLECHE: Yes you will find it in the record.

Mr. BOUCHER: With all respect to yourself as minister, I think the point has very great influence upon the authority that you yourself have as minister over the C.B.C. as well as the right to organize into trade unions and any other thing. Therefore on the point that the C.B.C. has a certain status with the minister in a supervisory capacity being required to supervise the board and the C.B.C. Board of Governors being required to report to him it has little value unless the status as a private corporation or as a government corporation is clearly established. I can see many complications that could arise and I say inevitably it will arise unless that status is decided very clearly.

Hon. Mr. LAFLECHE: Let me say this, Mr. Chairman that point has not in any way so far been a matter of difficulty since I have been here. In no way has it been a matter of difficulty to me. In my remarks this afternoon I wanted to explain to the committee in a few words what I thought was the very essence of the minister's position and it is this, in the words that I used this afternoon, the minister must watch the operations of the corporation and must see that the Board of Governors make a success of the C.B.C.

By Mr. Boucher:

Q. But what authority has he to do that if it is a private enterprise?—A. Any power conferred upon the minister is to be found in the Act, not anywhere else.

Q. Supervisory power only?—A. Yes, but so far I have never—perhaps you have,—heard any of my predecessors complain of lack of authority in that respect.

Q. The alternative might also be the case, there might be too much authority with the minister.—A. If that is the point then I say there are no grounds for so assuming.

Q. I am not saying there are.—A. I am just saying that.

Mr. CHEVRIER: If that is the case it is the duty of this committee to recommend accordingly.

Hon. Mr. LAFLECHE: Yes.

By Mr. Coldwell:

Q. Your view I take it, is the same as Mr. Thorson's, the board is clearly an autonomous body?—A. With a few exceptions set out in the Act; for instance, they cannot spend any sums of money over a certain amount, that is a wise thing. They must report to the minister; their by-laws must be approved by the Governor in Council, a few things like that.

Q. Except with these limitations you do not feel you either have the responsibility or authority to interfere with any decisions of the Board of Governors?—A. I am afraid my conscience would bother me if the C.B.C. did not succeed in their great undertaking.

Q. I am not thinking about your conscience, I am thinking about your authority.—A. Conscience is pretty effective sometimes and leads people to do things.

Q. I am thinking about the authority. You would not consider it to be within your competence as minister to interfere with the decisions of the board except as laid down within the limitations set by the Act?—A. If I had any view I would express it to the board. I could not go down and say do this or do not do that, not if it were not on a matter covered by the provisions of the Act. It could be argued both ways and in my mind I have argued it both ways; I am sure many others have done the same thing. It might be said there is too much authority or not enough. The proof is, is the machine working well?

Q. The point I had in mind was this: I think it is the desire of the people of the country and of the committees that have sat in former years, that there shall not be political interference on the part of any government with the policy or decisions of the Board of Governors which they appoint to carry on this autonomous body. That is why I asked the question.—A. May I say this now: I am sure Mr. Coldwell wants an answer to his question.

Q. Yes.—A. I can speak for myself alone, and here is my answer: There has not been any exercise of any political pressure or any attempt made to dominate the board politically, and I believe the same goes for those who were in the position before I was.

Q. I am not suggesting there was.—A. I am just saying that, I am giving the best answer that I can.

Q. I am just wanting to make sure that we understand the minister regarding the constitution of the Board of Governors as an autonomous body.—A. Yes, but they have a duty and somebody has to see that they do their duty.

Q. That is the duty of the cabinet, of course, on the recommendation of the minister.

Mr. HANSON: I should like to ask this question: If the Board of Governors did something that was not for the good of the Canadian Broadcasting Corporation and of the Canadian people who own it, the government naturally has the authority to stop them doing that?

Hon. Mr. LAFLECHE: There is authority granted by the Act, authority in the Broadcasting Act to remove a member of the Board of Governors for cause.

Mr. DIEFENBAKER: I should like to ask a question here, and it is in regard to the interpretation of the status of the corporation. You said it was liable to two interpretations. I should like to know if the question has ever been submitted to the law officers of the crown.

Hon. Mr. LAFLECHE: We had that up a moment ago; Mr. Chevrier asked that.

Mr. DIEFENBAKER: Mr. Chevrier asked a question, but I want to know.

Hon. Mr. LAFLECHE: Yes, and you will find it in last year's report.

By Mr. Diefenbaker:

Q. The Department of Justice?—A. Yes.

Q. What was their opinion, I have not got it.—A. I have not got the report; let us read it.

Q. That is why I could not understand it; if it was submitted I could not understand why you said it was liable to two interpretations.—A. I said it was debatable.

Q. It could not be debatable if the crown determined it by law.—A. Debatable in one's mind, and that is the statement I made, and I still continue to debate it in my mind.

By Mr. Chevrier:

Q. The opinion that was sought from the Justice Department was one concerning the right of those employees to organize, not one concerning the status, if I understood it aright.—A. I should like that read, because it throws a direct light upon the status of the corporation.

The CHAIRMAN: Well, we cannot just find it at the moment in the record of last year, but between now and the next meeting it may be looked up and we will have it read.

Mr. COLDWELL: Was not there some question of the right of the corporation to be sued and pay taxes and so on?

Mrs. CASSELMAN: Yes, that came up last year.

Mr. COLDWELL: Some opinion given—I should not like to quote it from memory, I have an idea what it was, though; I wonder if we can have those two, if there are two or more, opinions of the Department of Justice at the next meeting.

The CHAIRMAN: Are there any further questions or observations with reference to Major-General LaFleche's statement? It not I think we shall proceed with the next witness and have the minister back to-morrow.

Mr. Ross: Before the minister goes I should like to ask him when the annual meeting of the Board of Governors of the Radio Broadcasting Corporation is held.

Hon. Mr. LAFLECHE: They now have meetings at no greater intervals than two months.

Mr. Ross: I was asking that because I was wondering when we were to have the report.

Hon. Mr. LAFLECHE: We heard earlier this afternoon that the accounts of the corporation are not quite closed. I should think it would come very quickly now. Thank you, gentlemen. Hon. Mr. LaFleche retired.

The CHAIRMAN: We have just come across the opinion which was asked for a while ago. It is to be found on page 327 of last year's report, appendix B, and reads as follows:—

Department of Justice, Canada.

Please address

The Deputy Minister of Justice, Ottawa.

Ottawa, 4th April, 1941.

J.R. 5698/41

Dear Sir,—

I have given careful consideration to the question submitted by you whether your Corporation is authorized to enter into an agreement with the Association of Technical Employees, a union affiliated with the Trades and Labour Congress of Canada, in the terms of the draft proposal submitted by you.

Your Corporation is, in many respects, in the position of a department of Government and I would not think that the Board of Governors

or the General Manager would have the authority to enter into such an agreement which would restrict the authority of the Corporation to act as freely as the Government itself in all matters relating to its employees.

Yours truly,

W. STUART EDWARDS,
Deputy Minister of Justice.

The General Manager,
Canadian Broadcasting Corporation,
Ottawa.

Mrs. CASSELMAN: What date, Mr. Chairman?

The CHAIRMAN: April 4, 1941, page 327 of No. 6 of the minutes of proceedings and evidence.

Dr. RENE MORIN, Chairman of the Board of Governors, called.

The CHAIRMAN: Mr. Morin, we are very pleased to have you appear before the committee again this year. I think you are sufficiently familiar with the procedure that we followed a year ago and you know just the type of work that we expect of you without by outlining it to you at this time. Will you now be good enough to proceed?

The WITNESS: Mr. Chairman, Madam, honourable gentlemen, may I start by thanking the minister for his kind references to me on account of the honour which has been conferred upon me recently by the University of Montreal. Probably I owe it more to the position which I occupy as head of the corporation than through my own merits.

The statement that I shall make is not very long. I tried to make it as brief as possible, but at the same time give you the information to which you are entitled.

The Canadian Broadcasting Corporation was brought into existence by the Canadian Broadcasting Act, 1936, and we have now had seven years' experience of operating under the system then laid down. In the light of that Act and the experience gained through working under it, certain broad principles have now emerged. These were so well expressed by the parliamentary committee that met last year that I cannot do better than quote them at the beginning of my statement. They are as follows:—

- (a) The paramount importance of a single national authority to control all broadcasting in the public interest; (1932).
- (b) The public ownership of all high-powered stations under a national system of broadcasting, with low-power stations individually operated or co-ordinated in relation to the dominant system; (1932).
- (c) The co-ordination of all broadcasting in Canada through exclusive control being vested in the nationally-owned system of:—
 - (i) the character of all programs, political or otherwise, broadcast by all stations and of the advertising content thereof; and
 - (ii) all wire-line networks used for carrying broadcast programs; (1936).
- (d) The independence and flexibility of administration of the national broadcasting authority to be assured by its constitution as a public corporation. Under this constitution decisions as to policy are to be made by its board of Governors while administration is to be unified under a general manager, and an assistant general manager responsible to the board for the conduct of all business of the corporation. (1934, 1936, 1938).

- (e) Members of the Board of Governors to be men of broad outlook, having a knowledge of the tastes and the interest of the listening public and able to make a definite contribution to the solution of the problems before the corporation; (1936).
- (f) The independence of the corporation from partisan control to be assured by its constitution. As a trustee for the people of Canada and the payers of licences, the Board of Governors should render an account of its stewardship regularly to parliament and be subject to ultimate parliamentary control; (1938).
- (g) The importance of establishing at as early a date as possible a high-power shortwave broadcasting station financed as a national undertaking but operated and controlled by the corporation as an integral part of its system; (1938, 1939).
- (h) Political network broadcasting during federal and provincial election campaigns to be on a sustaining basis and time divided equitably among the political parties. (1939).

Last year the parliamentary committee brought in a report which, in certain respects, was highly critical of the policies of the board and even more so of the management. On the basis of these criticisms, a series of recommendations were made for a reorganization of our work. These recommendations have received the earnest attention of the Board of Governors and, as far as practicable, they have been carried into effect. I will deal with these proposals in turn and tell the committee what we have done about them.

May I say in beginning that the main complaint alleged against the board was concerned with a division of authority and function in the management? The committee itself recognized the difficult problem that confronted the board in dealing with the late general manager. They placed on record that "Mr. Murray has rendered great service to Canadian broadcasting, but in view of the board's loss of confidence in his ability in financial matters and his attitude to his own expenses, and in view of the material placed before the committee, you committee recommends that the Board of Governors consider if the services of Mr. Murray could be used by the corporation in another capacity than that of general manager or executive head of the corporation."

The committee expressed not so much censure as "profound regret" "that the expedients adopted were insufficient and the situation should have been dealt with in a more fundamental way and should be dealt with now".

My Board of Governors share the "profound regret" expressed by the last committee that "the expedients adopted were insufficient" and would simply protest that they honestly and in good faith attempted to deal with a difficult problem. Yet in spite of that particular deficiency the affairs of the corporation from the programming, the technical and other points of view, have always been efficiently handled; measures to that effect having been taken as conditions warranted.

When the committee's report was received we endeavoured to implement its recommendations in respect of management by the following steps taken:—

THE APPOINTMENT OF A NEW GENERAL MANAGER

The Board of Governors felt that particularly in view of the wartime importance of public broadcasting, and the need for some immediate action, a complete outsider should not be introduced to take over the management of the corporation. Moreover, they had in mind the description, given by the committee itself, of a man who would be qualified for such an appointment. May I quote it to you?

The committee is of the opinion that the office of general manager should be filled by one fitted to discharge all the duties of the chief

executive officer of the corporation. He should be, preferably, a Canadian of character and integrity to receive the confidence of the public and the loyal support of his staff. He should have organizing ability and administrative and executive experience although not necessarily in the field of business. As was said in evidence, "the chief executive does not need to be a specialist in finance, or a specialist in publicity; he needs to be a person who can, if necessary, recruit specialists in all fields, weigh and consider their advice and their recommendations, direct their activities, and in the last analysis accept responsibility for their actions". His education and experience should fit him to deal with public questions in a broad and imaginative way. He should have an enthusiasm for his country and its services and recognize the contribution that broadcasting may make to our national life.

The Board of Governors unanimously felt that one of their own members, Dr. James S. Thomson, had exactly these qualifications, and they approached him with an invitation to accept the position of general manager. Dr. Thomson is president of the University of Saskatchewan, and he felt unwilling at that time permanently to give up his office there. However, for the sake of the corporation's work and as a contribution to the wartime effort of Canada, he expressed his willingness to apply to the university's Board of Governors for a year's leave of absence to enable him to become general manager during a period of reorganization.

THE RESTORATION OF UNDIVIDED RESPONSIBILITY AND CONTROL

The Board of Governors have rescinded the by-laws whereby authority and control was divided between the general manager and the assistant general manager of the corporation. The position now is:—

- (a) The Canadian Broadcasting Act provides "there shall be a general manager who shall be chief executive of the corporation" and "there shall be an assistant general manager of the corporation".
- (b) The by-laws defining the duties of these officials are:—

6. (2) The employment, dismissal, and remuneration of the officers and other employees of the corporation shall be determined by the general manager provided that the appointment of officers or employees whose salary exceeds four thousand dollars per annum, shall be subject to confirmation at the first meeting of the Board of Governors following such appointment; further provided that the general manager may at any time suspend any officer or employee of the corporation for cause.

7. (1) The general manager of the corporation shall be its chief executive officer, and, subject to the direction of the Board of Governors, he shall be responsible for the carrying out of the provisions of the Canadian Broadcasting Act, 1936, and of the regulations and by-laws made thereunder.

(2) He shall be present at all meetings of the Board of Governors, unless his attendance is excused by the chairman or presiding officer.

(3) He may delegate any of his powers, other than the powers granted to him under by-law No. 6, to the assistant general manager or to any officer or employee of the corporation.

(4) He shall from time to time prepare such reports of the activities and finances of the corporation as the Board of Governors may request.

(5) On or about the first day of January in the year 1937, and thereafter upon such dates as may be determined by resolution of the Board of Governors, he shall submit to the Board of Governors an estimate of the receipts and expenditures of the corporation for the

following fiscal year, together with his suggestions for the development of the work of the corporation, such estimate to contain a detailed statement of any financial requests to be made to the government.

(6) As soon as possible after the end of each fiscal year, a report containing such information as may be required to enable the corporation to comply with sections 20 and 26 of the Canadian Broadcasting Act, shall be submitted to the Board of Governors at such time as the board may require.

(7) The general manager shall not engage in any employment remunerative or otherwise without previously obtaining the consent in writing of the Board of Governors.

The Assistant General Manager

8. (1) The assistant general manager shall generally assist the general manager in the performance of his duties and shall exercise the powers of the general manager in his absence.

(2) The assistant general manager shall not engage in any employment remunerative or otherwise without previously obtaining the consent in writing of the Board of Governors.

As you can see, this wording is exactly a reproduction of the original by-laws which were studied by the committee before and without any comment.

THE APPOINTMENT OF MR. MURRAY AS DIRECTOR OF BROADCASTING

The Board of Governors accepted Mr. Murray's resignation as general manager and in accordance with the committee's recommendation to conserve his valuable gifts for broadcasting, they gave him an appointment where his main concern would be with program policy. Mr. Murray resigned from this latter appointment on February 6, 1943.

May I now deal with the other recommendations of the committee? The board has met nine times since the committee handed in its report, viz., a meeting on the average once every two months.

With regard to the appointment of an executive committee I may say that there was some hesitation in implementing this recommendation particularly in the minds of those members who represent areas so remote from Ottawa that they would not be likely to be included in the membership and action was postponed.

The committee suggested that the principles laid down in the White Paper of 1939 referring to controversial and political broadcasting should be extended to provincial elections. This has been done.

Previous parliamentary committees have urged that greater attention be paid to the discovery and development of Canadian talent. The committee recommended that in addition to taking these and other specific steps, the corporation should further encourage suggestions and criticisms from listeners. This matter together with general recommendations of the committee for the maintenance of a proper balance of entertainment, information and education as well as a recommendation as to the size and quality of the program staff I do not intend to deal with here, but shall leave it to the general manager to tell you what has been done and what is being done in these respects. I should like to say, however, that at its last meeting, the Board of Governors authorized the management to set up audition boards wherever it was considered desirable, with a view to exploring better methods of covering the dominion in a search for suitable network talent.

Recommendation was made that work of the heads of divisions who report to the general manager and the assistant general manager would be co-ordinated and better directed to the general purpose of the corporation if

they held monthly meetings with the general manager to discuss common problems.

I can assure members of this committee that this recommendation also has been fully implemented. Meetings are being held monthly, attended by the general manager, the assistant general manager and senior officials such as the treasurer, the chief engineer, the general supervisor of programs, the commercial manager, heads of the press and information service, station relations, etc. Proper minutes are kept of these meetings and they are available for consideration by the Board of Governors.

Further it was recommended that greater care should be exercised in future in the payment of retaining fees and other similar fees to persons not on the corporation staff.

This particular matter has received very careful attention, and I think I may say that the situation is now completely satisfactory. Certain anomalies which existed a year ago have been corrected, and the board is very much alive to the necessity of preventing their recurrence.

The committee recommended that the corporation institute a superannuation or pension scheme for its employees on a contributory basis.

This is another matter on which the board has done everything in its power to implement the recommendation of the last committee. A pension scheme was approved by the Board of Governors at its meeting, February 8 and 9, 1943. The final contract is being drafted for submission to the Governor in Council. It was not found possible, as suggested by the last parliamentary committee, to make arrangements for this under the Civil Service Superannuation Act. The present pension scheme will be provided partly through government annuities and partly through annuities purchased from chartered insurance companies. It approximates as closely as possible the civil service superannuation scheme. Very briefly, the present plan calls for contributions from all regular employees of the C.B.C. of 6 per cent of their annual salary. An equal amount is paid into the fund by the corporation. In consideration for these payments the employees will be able to retire at 65, in the case of men and 60 in the case of women, on a superannuation amounting to 2 per cent of their average salary for each year of service. In the case of older employees, provision is made by the corporation, without cost to the employee, for benefits covering past services back to the establishment of the Canadian Radio Broadcasting Commission in 1933. The scheme also provides some death benefits.

It is impossible in the time at my disposal to go into detail, but I have for examination by members of the committee a document in which the plan is fully outlined. Copies of this will be tabled.

THE STATUS OF THE CORPORATION

The question of our legal status was raised by the last committee and it was suggested that the question should be clarified. Strictly speaking, this is a legal question, on which I am no authority. We operate under the Canadian Broadcasting Act, which described us as a "body corporate having capacity to contract and to sue and be sued in the name of the corporation." At the same time we have necessary relations to parliament and to the government of the day through limitations on the exercise of our powers by which we require certain authority from the Governor General in Council. The minister designated for the purpose is our channel of communication with parliament and the government.

This question of our status really becomes important when practical problems arise. We have always claimed and acted with a sense of independence from direct government control. We are not a department of government nor

are we an integral part of any department of government. Our employees are not members of the civil service. Nevertheless, we are an agency of the Crown so that there are certain limitations in our actions.

The question has been raised particularly in connection with the relationship of the corporation to its employees in respect of collective bargaining. We have been advised by the Department of Justice—as has just been quoted to you—that the corporation “is in many respects in the position of a department of government” and therefore they should not “enter into such an agreement which would restrict the authority of the corporation to act as freely as the government itself in all matters relating to its employees.”

At the same time I would wish to make it clear that the corporation neither in theory nor in practice is opposed to making collective arrangements with our employees. In a sense there can be no final conflict of interests between the Board of Governors of the corporation, the management and the employees. We are not a profit-making institution, and consequently, the conflict of interests which may ordinarily arise between employer and employees does not emerge in our relationships. Should conflict arise, it would be one between our employees and the public interest as conceived by the board. At the same time, it is our wish that our employees should be fully consulted in all matters pertaining to their welfare, status and salaries. Consequently, staff councils have been set up whereby through selected representatives the staff make regular representations to the management and also the management refers questions to the employees. A case in point is that of the recently adopted pension fund where the whole of the proposals were considered fully by staff councils and a vote on the matter of entering into the pension fund was taken from the entire personnel of our staff.

The question of erecting a high-power shortwave station has been before the Board of Governors for some time, and we have made repeated representations that to give Canada a place in the international broadcasting world, it is necessary that we should enter as soon as possible into this new and important radio field. The last committee recommended that such a shortwave broadcasting station should be established at the earliest possible moment; that the station should be financed both as to installation and operation by the government and that the responsibility for operating it should rest upon the Canadian Broadcasting Corporation.

I am glad to say that on September 8, 1942, by order in council the establishment of a new high-power shortwave station was authorized. The corporation was requested to proceed immediately with the establishment of two 50-kilowatt shortwave transmitters having three directional antennae and associated apparatus at Sackville, N.B. The total cost was not to exceed \$800,000, including the purchase of land and the construction of premises. This whole cost was to be borne and absorbed as a charge to war appropriation.

On the basis of this authority, immediate steps were taken to carry through these responsibilities assigned to us under the order in council. Tenders were invited from various manufacturers of transmitter equipment and the lowest tender submitted has been accepted. The main difficulties that have been encountered in connection with the erection of this station have been in the matter of securing the necessary priorities. We have had no trouble with our own priority authorities in this country, but when representations have to be made, as they must be, in the United States of America, we have there to encounter the most rigorous competition. It should be understood that short-wave broadcasting equipment is now a very essential war material, and for the limited amount of such equipment available there is very severe competition. The management have been most vigilant in prosecuting our claims before the necessary authorities and I am happy to state that after very considerable

negotiations we have been able to secure authority to obtain the necessary material. Orders have been placed and we hope to secure the apparatus as soon as possible. It would be premature to make any precise commitment as to when we may expect to have this station in operation, but we should like to hope that the delay would not be too long.

An important matter we have to consider is concerned with the programming of the shortwave broadcasting station. In this matter we are instructed to consult fully with the Department of External Affairs and such consultation is taking place.

Dr. Frigon, the assistant general manager, will be able to make a full statement on any technical questions that may arise in connection with this new installation.

I am happy to say that in accordance with the recommendations of the last parliamentary committee the corporation has endeavoured to extend its services so as to give a complete national coverage.

During the past year the C.B.C. network has been extended in British Columbia to the east Kootenay district and relay transmitters have been installed at Creston, Cranbrook, Kimberley and Fernie, to serve a population estimated at 16,000 people. A transmitter has been installed at North Bend, B.C., to serve a population of 1,000 and circuits are now under construction and transmitter equipment has been received to permit the installation of similar low-power relay transmitters at Quesnel, William's Lake, and Prince George. Station CFPR, Prince Rupert, is now under lease to the corporation and negotiations are under way to provide a network extension between Prince George and Prince Rupert. The population served in Prince Rupert is approximately 8,000, and temporarily much higher owing to the troops located in the neighbourhood. Until the network is extended into this territory the C.B.C. service consists of news and recorded programs taken off the C.B.C. and American networks.

The following is the situation in the east of Canada. Plans are under way for the installation of a relay transmitter at Sioux Lookout, Ontario; this should serve about 2,800 people. The C.B.C. French network has been extended north in Quebec to Amos, Val d'or and Rouyn, thus extending the C.B.C. French network along with English programs to a population of 35,400. At Chicoutimi, the power of the station has been increased to 1,000 watts and a new antennae has been supplied. This has extended C.B.C. coverage so as to provide some 86,300 local listeners with program service. A relay transmitter has been installed at Edmundston, N.B., to extend the C.B.C. French network to 10,300 people in that area. The population figures given above are as of January 1, 1940. The latest available figures show that the C.B.C. basic network serves 92.4 per cent of the population or 96.13 per cent of the radio homes in Canada.

At the last committee the question was raised about occupying the channels allowed under the Havana Agreement. This agreement was signed on December 13, 1937, and Canada was assigned priority of use on fourteen specified clear channels. These channels are now protected for Canada but the question of granting them fuller power has to be considered in connection with our whole national policy. It is not possible at the present time to obtain new broadcasting equipment, and consequently the raising of these channels to the full power required must lie at the present in abeyance. On this matter the assistant general manager will be able to make a fuller statement.

The general manager will be able to make a statement on efforts to obviate the duplication of programs in the same district. This raises the whole question of providing alternative programs. All I can say is that the Board of Governors have authorized the management where possible to provide alternative programs

by setting up networks of stations alternative to the present existing network. From time to time such alternative networks are created and the whole question is at present being very carefully studied, although limitations of personnel make it difficult to do much in the way of expansion.

By Mrs. Casselman:

Q. There are a great number of Americans in the northwest, from Edmonton north, in connection with the Alaska highway and other developments. What attempt has the C.B.C. made to give these people Canadian broadcasts, or are you carrying American broadcasts for them and relaying them to the northwest?—A. Are you referring to Edmonton?

Q. Edmonton, Alberta, and the northwest up to the Yukon.

The CHAIRMAN: Along the new highway.

Mrs. CASSELMAN: Yes. I wanted to know if there was anything being done.

The WITNESS: We have a station which is in our network at Edmonton, and it serves the territory.

By Mrs. Casselman:

Q. Will that carry as far north as that?—A. I am informed that there is also a station at Grand Prairie. That is not on our network, because there is no line leading there. Of course these stations at Edmonton are private stations. Therefore their power is limited to 1,000 watts. But what area they cover, I cannot tell you.

Mr. COLDWELL: CBK gives you pretty good coverage.

The WITNESS: Does it go much beyond Edmonton? I could not tell you.

Mr. COLDWELL: I have been told that it does.

Mr. DIEFENBAKER: You cannot get it in White Horse.

By Mrs. Casselman:

Q. What I wanted to know was whether you are carrying some American programs especially for the Americans who are up in the district I have mentioned.—A. My answer to that would be no.

Q. You are not relaying any?—A. No. Canadian and American recordings are sent to the Grand Prairie station to serve this district, as well as at Prince Rupert where there are American troops.

Mr. COLDWELL: Which station at Edmonton is on a sustaining basis?

Mrs. CASSELMAN: CJCA.

By Mr. Coldwell:

Q. Is there not a station in the university that could be utilized to some extent more than it is?—A. Well, I think we made an arrangement with them at the last meeting by which we allow them to go partly commercial, to be able to proceed with their educational programs and to improve their service.

Q. On the same basis as the other stations in the city?—A. Well, I think they have themselves put a limitation upon the amount of commercial programs which they needed. They considered that they needed I think, a net profit of \$25,000 per year,—they would be satisfied with that—which would enable them to cover their expenses; and they have agreed to limit their commercial broadcasts to that amount.

Q. Who put the limitation on them, and how is that controlled?—A. It was in their request. It was included in their request.

Q. It was at their request. Is their advertising related in any way to the advertising of other privately owned stations in Edmonton?—A. I think

there is a limitation as to that, but unfortunately I have not got the definite information as to the exact terms of the arrangement.

Q. Perhaps I will ask the general manager about that when he is on the stand. I should like to know the details of that. I was going to ask, before we adjourned, if the orders in council appointing the new governors could be filed with the committee. I should like to see them.

Hon. Mr. LAFLECHE: Yes, certainly.

Mr. COLDWELL: I notice there is a difference in the language sometimes in these orders in council relating to the corporation. As the chairman of the board well said, the minister is the channel through which the corporation works. I noticed that when the new by-laws were adopted, the phraseology is rather different to what I found in some of the other orders in council. For instance, I read: "And whereas the Minister of National War Services states that the Canadian Broadcasting Corporation reports" etc., rather than "recommends".

Hon. Mr. LAFLECHE: Does it not state that at the end?

Mr. COLDWELL: No.

Mr. HANSON: Are you a lawyer?

Mr. COLDWELL: Yes, you are right. It says, "On the recommendation of".

Hon. Mr. LAFLECHE: The first is the preamble, the explanatory part. I will get the two orders in council, Mr. Chairman.

Mr. HANSON: Why not incorporate the orders in council in the minutes, Mr. Chairman?

The CHAIRMAN: I think there are four orders in council that are pertinent, and that the members of the committee ought to have. They are: P.C. 9152, P.C. 7934, P.C. 8168 and P.C. 7933. I have them here. I procured them during last fall.

Mr. HANSON: Could we not have them incorporated in the minutes? Then we would be sure to have them.

The CHAIRMAN: We could get copies for you. There is not much need of having them reprinted. We will see that copies are provided for the members of the committee.

Hon. Mr. LAFLECHE: How many copies would you like, Mr. Chairman?

The CHAIRMAN: We will need about twenty-five of each. Are there any further questions or observations arising out of the general statement?

Mr. COLDWELL: Could we not defer questions until the next sitting? It is five minutes to six now. I do not want to keep Mr. Morin here. I may say that I appreciate his statement this afternoon.

Mr. Isnor:

Q. I have just one question, and it will not take very long, which I was going to ask of Mr. Morin. He spoke of the shortwave equipment he now has permission or priority for. I understood last year that it was more or less all arranged for at that time?—A. I think there was a transmitter available last year if the order had been given at the time; but the order was not given.

Q. My second question was in connection with the first. How long will it take to equip or complete the shortwave station?—A. I am afraid I cannot answer that. We are doing our utmost to have it ready as soon as possible.

Q. Have you any idea as to how soon that "as soon as possible" will be? Could you tell us what that means?—A. Might I say a year, Dr. Frigon?

Dr. FRIGON: At the best, fourteen months.

Mr. BERTRAND: Fourteen months from now?

Dr. FRIGON: Yes.

Mr. TRIPP: From this day?

Mr. BERTRAND: From this day.

The CHAIRMAN: Mrs. Casselman and gentlemen, I would suggest that we continue the discussion of Mr. Morin's statement at our next meeting. What is your pleasure with reference to the next meeting? We have it in the minutes for to-morrow, but that does not suit some of the members of the committee as well perhaps as Friday morning, because a number of the members of this committee are also members of the social security committee which is meeting to-morrow morning at 11 o'clock, and some members have expressed the wish that they could attend that meeting.

The WITNESS: I am sorry, gentlemen, but my company holds four meetings during the year and there is one on Friday.

Mr. COLDWELL: I was going to suggest that we could go on with Dr. Thomson, and if we needed to recall Mr. Morin, we could arrange that for some other time.

The CHAIRMAN: We have Dr. Thomson and Dr. Frigon here and that will be enough for the next meeting.

Mr. HANSON: Friday, I think, will better suit the wishes of the majority of the members.

The CHAIRMAN: Then we shall adjourn now to meet on Friday at 11 o'clock in this same room.

The committee adjourned at 5.55 p.m. to meet again on Friday, June 11, at 11 o'clock a.m.

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House of Commons
Committee on
1943
(SESSION 1943)
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

ON

(RADIO BROADCASTING)

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 2

FRIDAY, JUNE 11, 1943

WITNESS:

Dr. James S. Thomson, General Manager of the Canadian
Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



MINUTES OF PROCEEDINGS

FRIDAY, June 11, 1943.

The Special Committee on Radio Broadcasting met at 11 a.m., the Chairman, Mr. J. J. McCann, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Bertrand (*Prescott*), Chevrier, Coldwell, Diefenbaker, Durocher, Fournier (*Maisonneuve-Rosemont*), Hanson (*Skeena*), Hazen, Isnor, LaFlèche, McCann, Rennie, Ross (*St. Paul's*), Telford and Tripp—16.

In attendance: Dr. Augustin Frigon, assistant general manager of the C.B.C.

The Chairman tabled the following orders in council, copies of which were distributed, viz.:—

P.C. 2102: Appointment of Mr. Howard B. Chase, dated March 16, 1943.

P.C. 2235: Appointment of Mrs. T. W. (Mary) Sutherland, dated March 19, 1943.

P.C. 7933: Appointment of a Director General of Broadcasting, dated September 30, 1942, and resignation of Mr. W. E. G. Murray.

P.C. 7934: Appointment of Rev. Dr. James S. Thomson, dated September 30, 1942.

P.C. 8168: Establishment of shortwave station.

P.C. 9152: Amendments to By-Laws 6, 7 and 8, dated October 6, 1942.

Dr. JAMES S. THOMSON, general manager of the C.B.C., was called and examined.

Witness made a survey of the following:

- (a) Programs
- (b) Organization
- (c) Overseas Unit of the C.B.C.
- (d) Establishment of a shortwave station.

At the request of Mr. Bertrand (*Prescott*), a list of the C.B.C. broadcasting stations in Canada will be produced.

Ordered,—That the aforementioned list be printed in to-day's minutes of evidence. (*See Appendix No. 1*).

The Chairman tabled the present composition of the Board of Governors with date of appointment, etc.

Ordered,—That the table showing the personnel of the Board of Governors be printed in to-day's evidence. (*See Appendix No. 2*).

The Committee agreed to allow Dr. Thomson to conclude his statement at the next meeting when he will be followed by Dr. Augustin Frigon.

Witness was retired.

It was decided to hold two meetings next week, namely on Thursday and Friday.

The Committee adjourned until Thursday, June 17, at 11 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 11, 1943.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: The first witness we have this morning is Dr. Thomson, General Manager of the Canadian Broadcasting Corporation.

Dr. Thomson, will you kindly proceed to make such statement as you care to, to the committee?

Dr. JAMES S. THOMSON, General Manager, Canadian Broadcasting Corporation, called:

The WITNESS: Mr. Chairman, Madam and gentlemen, I was appointed general manager of the Canadian Broadcasting Corporation for the period of one year by order in council P.C. 7934, September 30, 1942. I assumed responsibility for these duties on November 2, 1942.

Programs

With your permission, in my statement I shall put first things first. The most important thing in all broadcasting, indeed it is the final test of all our work and to which all organization must be subservient, is what comes through the receiving-set into the Canadian home. Consequently, if it suits your purpose, I propose to begin with programs.

In arranging our programs we have to encounter a wide diversity of tastes and interests. We must meet the listening public on a variety of levels, and endeavour to strike some kind of happy balance between them. One difficulty in broadcasting is the fact that we are continually providing programs for a great unseen audience from whom there is no immediate verbal or audible response. Surveys help to a certain extent, but even they fail largely to take account of an important section of our audience who benefit more than any others from radio—namely, those who live in remote areas and to whom radio brings in the wider world.

At the present time, like every other instrument of public information, the demands of a war interest must have a priority. Radio is now regarded as having an important function and responsibility for directing the public mind, and along with the press, we must be continually sensitive to the changing needs of the changing hour. In relation to the war we have a two-fold duty; first that of seeking to support the tremendous enterprise to which our nation is committed, by providing information and stimulating the public mind, and second, hardly less important, that of giving to our people some kind of leisure from the tensions and preoccupation of war. These two somewhat divergent aims need not in the last resort be contradictory.

News

Of first importance in present day programs I put the provision of news. The best instrument of public information is information itself. The public now turn eagerly to the radio for news, particularly about the changing aspects of

the war. At best, our news bulletins can only be summaries, but in their preparation and broadcasting it is necessary to bring a sense of great responsibility with high standards of integrity, and an appreciation of proper values.

We receive our news services from three sources. The two main sources are: the Canadian Press and the British United Press despatches. We have a third somewhat subsidiary, but not unimportant, source of news in our own C.B.C. listening post, where from time to time through monitoring foreign broadcasts we are able to pick up news of an unusual and sometimes of a rather important character.

We have no news-gathering agencies of our own, but we have set up news-rooms at Halifax, Montreal, Toronto, Winnipeg and Vancouver. The main central newsroom, so far as English is concerned, is situated in Toronto, whereas the main centre for French news is located in the city of Montreal. Our bulletins consist of three main types. First, there is the national news summary at 10 p.m., E.D.T., both in English and in French, which are broadcasts across our two networks. This is a national feature which commands the widest interest and has a very extensive listening audience. For the prairie and pacific regions we have also a later national bulletin from 1 to 1.15 a.m., E.D.T. Second, there is regional news which endeavours to combine news of national and international interest with items of particular relevance to the region over which it is given. Then from time to time throughout the day we have also short three- or five-minute bulletins which keep the listener up-to-date with the latest information.

In addition to these news broadcasts provided by the Canadian Broadcasting Corporation, we have also those of the B.B.C. daily both in English and in French.

Very precise instructions have been laid down for our staff to guide them in the preparation of news bulletins and it is our confidence that we have attained a high standard which commands a gratifying respect from our listening public. Our first concern is to assure ourselves of the accuracy and the authenticity of our news. We carefully exclude all items of a sensational or scandalous character. We are not interested in publicizing such items as crime, divorces, or items that have, in the main, a merely sensational interest. We keep to short, objective news summaries and both in the manner of writing them and in the matter they contain, our bulletins compare favourably with those provided by any other broadcasting agencies in this country and elsewhere.

Along with the writing of news, which has always to be done for a listening rather than a reading audience, we must think of the manner in which the news is read by the announcer. Here we endeavour to avoid anything in the nature of the exciting or the emotional. We select men possessed of clear Canadian voices with a distinctly masculine quality, who, in their diction, are calculated to command the attention and interest of the average listener. In this respect also, we believe we have attained to a worthy standard.

News Commentaries

The public want not only news, but they are eager to have some kind of interpretation provided for the changing scene that confronts us in a time of war. News pours in from all quarters and it is difficult for people to see anything like the entire picture of the events through which we pass. Both in French and in English we have news commentators who undertake an extraordinarily difficult task. In the short time allotted to them, they endeavour to summarize the main significance of the day's events and to place the emphasis where it ought to lie. Then at the week-end, particularly on Sundays, we command a large listening audience for our special week-end commentators. In this matter, a larger amount of time is at the disposal of the interpreter. It

is of the very essence of such news commentating that there should be freedom and discretion allowed to the commentator. So long as he exercises this liberty with a proper sense of responsibility, he should be allowed to express what he judges to be the most important phases of the widespread fields of operation. Different commentators attract different types of audience, but we have reason to believe that these week-end broadcasts have made a fine contribution to a public understanding of the great issues involved in the war struggle.

Public Information

The corporation has continued to fulfil its public obligations by bringing information to listeners about the vast range of activities in which our country is now engaged, particularly those connected with the war effort. We have cooperated with the various departments and agencies of the government in bringing to our people the emergent needs in a changing war situation. The War Finance Committee have utilized our facilities to the full in urging their appeals for subscriptions to the various victory loans that have been floated from time to time. The armed services have all secured places in our programs to publicize the activities in which they are engaged. The Wartime Prices and Trade Board have regular features on our programs and recognize the value of radio as a medium for giving the public educative information concerning their important responsibilities in the economic theatre of operation. We are in constant touch with the Wartime Information Board, and through liaison officers are made aware of the policies adopted from time to time. On the other hand, the Wartime Information Board have recognized the position of the corporation under the Broadcasting Act as having both responsibility and authority not only over its own programs but over all the programs broadcast on private stations. Consequently, we have cooperated with the board by becoming a coordinating body for the various appeals and programs which different departments and activities of government seek to bring before the public mind.

From time to time the corporation has the opportunity to give our listening public an opportunity to hear outstanding speakers who make pronouncements of international importance. Not only do we provide facilities for our responsible ministers to make public pronouncements on national policy, but I am glad to say we have also invited party leaders other than those belonging to the government to speak from time to time over the national network. The Prime Minister utilized the radio to make his statement on the rationing of liquor. Immediately after his election as the new leader of the Progressive Conservative party, Mr. John Bracken accepted an invitation to address the Canadian public over our entire network, and arrangements were made to give a simultaneous broadcast of his address over the French network. At a later date, Mr. M. J. Coldwell accepted a similar invitation to present his point of view. It is hoped that in future we shall be able to extend this valuable public service in giving the Canadian public an opportunity to listen to addresses from our responsible political leaders.

When the Right Honourable Anthony Eden visited this country some time ago, he accepted an invitation to speak over our network and we were able to arrange that his address would also be heard over one of the large American networks and it was also sent by shortwave to the United Kingdom. Lord Halifax recently spoke both in French and English to our Canadian people. I am glad to say that Madame Chiang Kai Shek has accepted a similar invitation to speak next week. When outstanding figures such as Mr. Winston Churchill, Mr. Roosevelt, Madame Chiang Kai Shek, Generals Giraud and deGaulle, and others of similar importance speak from time to time, there is a great interest among our people in listening to these utterances and it is a service of incalculable value that they can listen to the actual voices of men and women of such pre-eminence in the modern world.

Forums and Discussions

In a people's war such as this, it is necessary not only to inform the public mind but to give opportunities for an expression of all sections of public opinion. We have arranged to give such opportunities for two particular groups in the country who have particular interests in the war effort. It is recognized that the workers of this country have a place of pre-eminent importance. The production of munitions and supplies has a leading place in our Canadian contribution to the cause of the united nations. To give the working people of this country an opportunity to express their point of view, to discuss policies and where necessary to bring before the public their particular attitude, we have been carrying on a weekly feature called "Labour Forum". In this project, we have had the cooperation of the great labour organizations of the country and we have given a free opportunity for labour representatives to discuss such questions as joint management, collective bargaining and general conditions under which they work. We are now in process of setting up a parallel organization for our French-speaking listeners.

We have had a special success in our relations with the agricultural section of the community. Farm Forum is now an established feature which commands a wide audience. Our farmers have come to look upon it as an opportunity in which they hear discussed the various problems that beset them in their important work in raising food. In addition to Farm Forum, we have our daily farm broadcasts, arranged regionally to meet the needs and interests of farmers in various parts of the country. In French we have the Reveil Rural program. These are regarded as highly important daily features in which latest information connected with production, now of such vital importance, is communicated daily to our entire agricultural population.

The current interest in questions of reconstruction has stimulated us to inaugurate a special series in both English and French to provide an opportunity for competent speakers to discuss questions that inevitably arise in any consideration of problems affecting the post-war order of society. The English series is entitled "Of Things to Come", and the French series is entitled simply "Opinions". Both series, although not exactly parallel in their method, have brought to the microphone able and outstanding speakers who have been willing to discuss such questions as the future of international organization, the place of money in the economic order, health, population, social security, agriculture and industrial development. It is hoped to resume both series in the fall of this year.

M. 'Abbe Maheux gave a useful series of addresses entitled "Pourquoi Sommes-Nous Divises" to the French-speaking people, dealing with the question of national unity. With great frankness and courage he discussed topics suggested by the title on the causes of separation and sometimes of suspicion between the two main sections of our Canadian people. We were so impressed by his valuable contribution that the speaker was further invited to give the same series in English under the title of "What Keeps Us Apart". These programs have been well received.

Education

Radio broadcasting being a new instrument of public communication has naturally come under the notice of educationalists. Along with the film, it now provides a method for bringing the appeal of the imagination into the classroom. Particularly for scattered rural areas where educational facilities are of a meagre character, the new technical equipment now available through modern inventions can bring the wider world to the most remote schoolhouse. We have given considerable thought as to how best radio can serve the edu-

educational needs of our country in this respect. Under our Canadian constitution, education is a provincial responsibility. We have endeavoured to enlist the co-operation and interest of provincial authorities for our various projects and there is a growing response to our overtures. Perhaps in British Columbia we have made the furthest advances where we have entered into a full cooperative arrangement with the Department of Education for the promotion of regular educational programs. In the maritime provinces, particularly in Nova Scotia, we have also made notable headway. There is a rising tide of interest in the prairie provinces, where education departments are alert to the new possibilities of developing their program through the medium of radio. Also in Ontario we find the same interest. We are also keeping in close touch with developments in the province of Quebec. We find that in many communities such local organizations as home and school clubs have provided radio sets for the use of students, and in other places students themselves, through various efforts, have been able to provide receiving sets. We look forward to the time when radio will become part of the normal equipment of the schoolroom.

The place of radio in public education, while important, is limited. It can never be a substitute for the actual living intercourse between the teacher and the pupil. However, it can bring something of a background for regular teaching into the life of the school-room. It can supplement the teacher's work in useful ways; sometimes by making contributions that the individual teacher himself or herself may not be able to give. For example, it is possible to awaken a considerable interest in music and drama through actual radio presentations. Another very useful aspect of educational radio is that of bringing to various parts of the country, direct voices from the rest of Canada and indeed, from the rest of the world. Thereby the horizon of the student is widened with a permanent enlargement of his range of interest.

In higher education a very notable series has been "Radio College" provided over the French network where a series of fine educational presentations has been made.

We have cooperated both with the Columbia Broadcasting System and the National Broadcasting Company of the United States in their educational projects. The "Columbia School of the Air" sends many of its programs into our Canadian stations and thus to the Canadian school. But we are also happy to think that in turn we have contributed a notable series of Canadian programs to this feature which has a range of broadcasting as wide as the Americas themselves. Thus the voice of Canada is being heard in the United States and in other parts of the American continents. The same is true of the "Inter-American University of the Air" which is a feature of the National Broadcasting Company. Here again the corporation has been responsible for arranging and producing the Canadian contributions to this series, and it gives us satisfaction to think that these programs have attracted a wide interest among the listening public in the various countries to which they have gone. We are also gratified to report that at the recent Annual Institute for Education by Radio, an International Institute, held at Columbus, Ohio, the C.B.C. was awarded several distinctions, in some cases taking the first place.

In educational broadcasting we are only at the beginning of things, and it will be the duty of our corporation to give continual thought as to how we can develop popular education not only at the school-room level but also how best we can make contributions to the whole program of adult education which is now being conceived as having such an important contribution to the democratic way of life. Already we have made something of a beginning in this sphere of adult education. Our forum features should be included under such a heading. The method of discussion has an assured place in educational methods. There is also a place for talks, and here both in the series directed

towards the general public and in our series of talks to women, we are providing a very useful service. Mention should be made of such series as "Science in the News" and our talks to women on the important subjects of nutrition, child guidance and similar subjects related particularly to women's share in the war effort.

Religious Broadcasting

The interest in religion is perennial. While it may be held in some quarters that the world is becoming more and more secularly minded, nevertheless, we find that there is a very real interest in the religious broadcasts provided both by the corporation and by the private stations. Indeed, I may say, and it may be generally accepted, that whatever programs might be omitted from any station, there would be an immediate protest raised if any station had to omit its religious features. It is a sad reflection that in matters of religious belief, mankind continues to be very much divided and consequently we have to handle the subject of religious broadcasting with a discretion that fulfils the biblical injunction to be "wise as serpents and harmless as doves." Fortunately, the Canadian churches have been willing to cooperate in a wholly admirable manner by giving us their assistance for this important part of our work. We have been able to assemble a Religious Advisory Council on which, I am happy to think, Catholics and Protestants are willing to work side by side with great goodwill and thus to assist in arranging, with practically no element of friction between them, the various programs. For the most part on Sunday mornings we are able to arrange only local religious broadcasts. The time schedule which varies all across Canada does not permit any other arrangement. We have two national features for Sunday afternoon; one of which is given over to the interests of the Protestant churches and the other to the Catholic church. We have had excellent cooperation in presenting these services. On Sunday morning we have made provision for the religious education of young people through our series of "Dramas from the Bible." I may say that I have received congratulatory resolutions from a considerable number of ecclesiastical bodies, and from individual churches and homes on this particular series. A warm and appreciative response has been aroused by this program not only from children and young people, but also from many of our adult listeners. During the week it might be said that the Canadian Broadcasting Corporation still keeps alive what used to be called the old-fashioned prayer meeting, but which has now disappeared from many church programs. In our "Mid-week Devotions" we provide a mid-week service that brings both comfort and inspiration to many listeners. When one thinks of the number of invalids and aged people who are not able to avail themselves of the usual means of religious consolation through assembly in public worship, it is evident that we are here making a worthy contribution to the culture and maintenance of the spiritual life.

We have also been able to make similar arrangements for our French speaking people. "L'heure dominicale" is a notable feature in which religious devotion both in music and in exhortation plays a very notable part. I should also mention the morning program "Elevations Matutinales" for the French-speaking people.

I have put these aspects of our program which are more directly related immediately to the war effort in the place of priority because of the special circumstances of our time. We are not unmindful of our function to bring not only information and inspiration to the Canadian home, but also to provide enjoyment for the leisure hour. This we accomplish not only through what might be called entertainment, but also through providing opportunities for the enrichment of life by listening to music and by participation in dramatic productions. In wartime these features have an added importance. The public

mind is apt to become jaded and war-weary. Anxious minds and frayed nerves can be soothed and revived through wholesome laughter and the healing powers of great music. So I pass on now to these other aspects of our program activities.

Music

Music accounts for the largest proportion of our sustaining programs. It is calculated that about 55 per cent of our programs are devoted to this purpose. Here, as in other respects, we must meet the public on a wide variety of levels. I believe that we have been responsible for bringing to the Canadian home, new and sometimes hitherto unknown regions of aesthetic enjoyment. On the other hand, in remote areas, there are some homes of refinement that during long years have been starved for good music until the Canadian Broadcasting Corporation began its operations. It is impossible for me here, in the time at my disposal, to mention the programs in any detail. During the winter and summer seasons we broadcast alternatively concerts by the Symphony Orchestra in Toronto and also from the chalet in Montreal. We have also broadcast a short series of symphony concerts by the Vancouver Symphony Orchestra. An orchestral concert of Russian music under Sir Ernest MacMillan and Kathleen Parlow as guest soloist has particular significance at the present time when we are in such close alliance with the Russian people. There was a special concert to celebrate the Massenet centenary conducted by our music supervisor, Mr. J. M. Beaudet. There have been regular programs of chamber music on Fridays. I should also like to refer to the re-appearance on our network of the "C.B.C. Strings" under Mr. Alexander Chuhaldin. These distinctive weekly programs have given a great deal of pleasure. While for necessary reasons the main centres from which we can provide these really first-rate concerts must be Montreal and Toronto, we are also able to present distinctive features from other centres. From Winnipeg we have presented "Impressions by Greene" as well as a weekly violin and piano series. From Vancouver we have presented "Classics for To-day" as well as a Serenata series. I should also like to mention on the French network two series: (1) well-known light operas such as "The Chocolate Soldier", the "Merry Widow" and the "Desert Song". (2) A series of fine concerts with celebrated artists entitled "Les Concerts Symphoniques".

Perhaps I should mention rather specially what I should like to hope would interest this committee and is really a unique musical performance for Canada. The story behind this series is quite romantic and I can only tell it in barest outline. It is concerned with a discovery that was made of some manuscript music in a pile of junk that was being handed over to the Salvation Army for deposit in one of its depots. A Canadian woman, who was rather fond of music, saved this manuscript from the wreck and eventually it found its way into the hands of a bookseller who refused to pay anything for it because he considered it to be a rather worthless bit of salvage. However, after it had lain on his shelves for three years, it passed into the hands of an amateur musician and bibliophile. After a time this music was identified as being an original manuscript of a work actually composed two hundred years ago by Karl Philipp Emanuel Bach who was the second son of the great Johann Sebastian Bach. The music consisted of seven concertos written for the harpsichord. When this discovery was made it was felt that we could only do adequate justice to an event of such a romantic and historical character by getting a distinguished artist actually to produce this music on the instrument for which it was composed. Consequently, we invited Madame Landowska, who is a most distinguished authority on the period of Bach, and a harpsichord was procured to permit this lady to give us a highly interesting series of concerts, which was conducted by Adolph Koldofsky, the outstanding Canadian violinist.

It is true that such a series as this has probably an interest only for a comparatively few listeners, and if we are concerned for the promotion of a genuine cultural life in Canada, surely we have a duty to perform. Then we have continued to bring the distinguished concerts from New York on Saturday and Sunday afternoons. These have now become regular features which have brought a great deal of enjoyment to many Canadian homes.

I have mentioned what may be called the more distinctive music. We are not forgetful of those who prefer dance music, old-time fiddlers, and music more suited to the popular taste. There must always be a place for such popular features, nor are we forgetful of the widespread enjoyment that comes to many people through listening to the stirring music of military bands.

Drama

In the field of drama we have also had an interesting series of programs. Vancouver has had a special place in our dramatic productions. We provided a series of dramatized versions of the works of Robert Louis Stevenson; from here also came a highly outstanding series that has attracted wide attention entitled "Baker's Dozen". Particular mention should be made of the group of Russian plays, now of special current interest because of our association with Russia as an ally in war. Another series of dramas mostly by Canadian authors has been broadcast weekly to the western network from Winnipeg; also on Tuesday afternoons from Montreal to the national network. On the French network on Sunday evenings there has been an outstanding series consisting in the classical masterpieces of French dramatic literature. There have also been plays of a more popular character including some translations of English successes such as "Victoria Regina". The title of this series is "Le Theatre pour Tous".

Discovery and Development of Canadian Talent

Representations are made to us from time to time that one of our functions is to discover and develop Canadian talent. We are aware of our responsibility in this respect. The future progress of Canadian life depends not only on industrial and economic development. We should provide opportunities for the appearance of Canadian artists and the encouragement of indigenous talent. Along with this we have also to maintain a high standard of excellence, particularly if we are to make a worthy appearance alongside the enormous artistic resources of the American networks. For this purpose it is necessary to have groups of professional musicians at relatively few centres in fairly constant employment. If you spread the amount of employment too thinly over the whole of Canada you may produce what in the last resort is only a very mediocre result all round. On the other hand, I wish to assure this committee that there is no young artist in Canada worthy of a national appearance who is denied an opportunity. At the present time, under special direction of the Board of Governors, we are in process of setting up special audition boards who will travel throughout western Canada to give a hearing for young artists of merit. It should be said also that members of our staff, in so far as they are able, make regular journeys to different parts of the country to explore the artistic resources.

Children's Programs

Perhaps we have not done enough for children on our C.B.C. programs, because they are among the most sought and constant of our listeners. I have already made some reference to what we are endeavouring to accomplish in the way of putting radio at the disposal of our various educational authorities. However, our responsibilities to the younger people are not exhausted by such

provisions. We have, however, made some notable progress. We have had outstanding series called "Just Mary" and "Magic Carpet" programs which have provided a great deal of delight for young people. I have also made mention of the Sunday morning "Dramas from the Bible".

Entertainment

I have left to the end what will be regarded by the great majority of our listeners as probably the most popular features. There is no need to go to the ratings provided by the various survey organizations to realize that programs generally described as light entertainment have a wide and in some cases an almost universal appeal. The whole North American continent rocks with laughter at the quips and sallies of Charlie McCarthy, Fibber McGee and Molly, Jack Benny, and at the amusing adventures of the Aldrich Family. In Canada we have our own modest contribution to program material which is devoted entirely to popular amusement—I mean such features as the Happy Gang, the Allan Young show, John and Judy, and Penny's Diary. I should also mention specially the Army Show, entirely provided by personnel of the Canadian Army, and which has had its place on our programs since its inception. Then in French, where we are left even more to our own resources, we have a bright program such as "Quelles Nouvelles" and also those which I understand are exceedingly popular, such as "Un Homme et son peche", "la Fiancee du Commando", "la Vie Commence Domain." Dr. Frigon, the assistant general manager, is here and he will be able to speak with more intimate knowledge if such is wished, and indeed of all the French programs.

These light amusing programs have big listening audiences, but I would suggest that especially in war time, clean and hearty laughter has a highly important place in public life. It is good for people to laugh together; perhaps if we all did it a little more, the world would not only be a happier but a better place in which to live.

I have given only the barest outline of our programs. The work of producing and providing them for the whole Canadian people in two languages is immense and requires the devoted service of a large and varied staff, which I am happy to acknowledge the Canadian Broadcasting Corporation has in its service.

Now, Mr. Chairman, that is the first part of my evidence. I have other sections here. I shall be guided by the wishes of the committee as to whether they want to make a break at this stage and ask any necessary questions, or if they wish me to go on with some other section. I have a section on organization; I have one on our overseas unit; I have one on shortwave broadcasting, and I hope to have ready for a later hearing, if it is desired, what was called for yesterday, namely a statement on finance and on personnel. I shall be guided, however, by your wishes.

THE CHAIRMAN: What is the wish of the committee? Do you wish to ask questions with reference to the presentation, or the part of the presentation which has already been made, and make your observations thereon? Or do you wish Dr. Thomson to continue with the rest of his statement?

MR. DUROCHER: I might make one observation, Mr. Chairman. Dr. Thomson mentioned that they give young artists a chance.

THE CHAIRMAN: Just a minute, Mr. Durocher. Perhaps we had first better decide whether we are going to have discussion now or go ahead with the rest of the presentation.

MR. HANSON: My suggestion would be that the manager should be allowed to complete his statement, then have it printed and it will be before us at a later date. If there is anything we then want to discuss, we can do so. It is pretty hard to discuss it properly until it is printed and before us.

Mr. COLDWELL: That is what I was thinking. If Dr. Thomson is allowed to continue, we would have his statement in printed form at our next meeting.

The WITNESS: Mr. Chairman, I have everything except a statement on finance. I should explain, as the request was made yesterday, that the financial reports and statements for last year came to my hands only the other day. We close our accounts on the 31st of March, and it takes a little time to make them up. They came to me only the other day. I should like to have some opportunity over this week-end to make a study of them, in order to be able to present them in some considered form for the members of the committee, if that suits your convenience.

The CHAIRMAN: I think probably that would be the best method, because we can then take up the whole financial structure at one time; and if we wish to call in the treasurer in connection with any statement you make with reference to the financial operations, then that part of it would appear together. I think it is the wish of the committee, Dr. Thomson, that you proceed with your statement. We will defer the questioning, Mr. Durocher, until the presentation is made or until a later date. Then we can refer to the whole presentation, and ask such questions or make such comments as the members of the committee consider advisable.

Mr. HANSON: Mr. Chairman, we will, of course, have this in print before our next meeting.

The CHAIRMAN: Exactly. Will you kindly proceed, Dr. Thomson.

The WITNESS: Yes. The next heading I have taken up is "Organization."

Organization

In the Canadian Broadcasting Act, section 6, the general manager is defined as "chief executive of the corporation." It is also provided that "there shall be an assistant general manager of the corporation."

In the by-laws these executive duties are more precisely defined. The general manager is placed under direction of the board of governors and is responsible for carrying out the provisions of the Canadian Broadcasting Act, 1936, and of the regulations and by-laws made thereunder. He may delegate any of his powers with one exception, namely those concerned with the employment, dismissal and remuneration of the officers and other employees of the corporation. These powers may not, under any circumstances, be delegated.

Among the more precise duties of the general manager are those concerned with the important matter of finance. In that connection he must prepare regular reports to the board and he must frame an annual budget for submission to the board along with suggestions for the development of the corporation's work including forecasts of the financial commitments involved.

The assistant general manager's duties are stated in very general terms as being an assistant to the general manager.

To my mind the relation of the general manager to the corporation, and particularly to the board of governors can be defined in broad general terms. The board of governors are responsible for policy. They have to concern themselves with such important matters as making recommendations in connection with new licences; they have to take general supervision over finance and should authorize expenditures beyond those that are ordinarily involved in carrying through the work of the corporation. They have to authorize all new commitments and questions of general policy that lie beyond decisions already reached or beyond what might be called routine matters.

The general manager, as has already been stated, is an executive officer and while this involves a very large responsibility, he must operate within the general provisions of the Canadian Broadcasting Act and he is responsible for carrying through policies decided upon by the board of governors.

The organization of the corporation is subservient to the purpose for which it is constituted; by the provision of the Act, section 8, "The corporation shall carry on a national broadcasting service within the dominion of Canada." It is very clear that we have a national responsibility for bringing so far as that may be possible a service of broadcasting to the entire Canadian public. So far as we can compute 92.4 per cent of the Canadian public are already served in this way. We have to maintain two networks, one in the English language and one in the French language. There are places where the bilingual character of the population presents particular difficulties and we must endeavour to maintain something of a broadcasting service in both the French and English languages to cover the same area. As everyone knows who has any intimate acquaintance with Canada, while we are one nation we are also a confederation of provinces and that has something more than a merely political significance. There is a changing interest from one section of the country to the other and while broadcasting can be one of the most powerful instruments making for national unity, at the same time we have to provide for the provincial and sectional interests. Consequently while we have organized two national networks, we have also divided the country into five regions for broadcasting corresponding to the geographical divisions of the country, viz: Maritimes, Quebec, Ontario, Prairies and Pacific. In each of these regions we have endeavoured to set up an organization under a regional representative, corresponding in a broad way to the main divisions of our work. These main divisions of our work are: programs, engineering, commercial, press and information, station relations, finance and staff.

The largest is the program division which is again subdivided into news, talks, religious and institutional broadcasts, drama, music, education, features; there is also a department concerned with the supervising of broadcast language which deals with the use of language and the study of speech.

Next to this the engineering division is concerned with all matters of a technical character which are exceedingly important in the direction of broadcasting.

The commercial division is concerned with the large number of relations that we now must maintain with commercial organizations who use the facilities of radio for advertising purposes.

Press and information deals with the important and as yet relatively undeveloped part of our work which is concerned with the support that the written word must give to the spoken word. Here we have one of the biggest gaps in our whole organization yet to be filled up.

Station relations is concerned with important matters governing our relations with the private stations in Canada and the American networks.

Of the finance division, I shall have something to say later on.

The staffing division is concerned with the important matter of organization and classification of personnel.

When I took over the duties of general manager a reversion was made to the original by-laws whereby the general manager was re-established as being in general control and assumed a unified responsibility for the entire work of the corporation including the supervision of finance and the direction, employment and assignment of personnel.

The executive work involved in such a large and varied organization is very arduous and the assurance of its efficiency is a delegation of responsibility with the maintenance of control. Such a policy I have endeavoured to carry through. As between the assistant general manager and myself, I should say that the corporation is particularly fortunate in having a man of Dr. Frigon's experience, and particularly in two directions. First, he is a scientist, a doctor of the University of Paris, and, secondly, he is a specialist in radio engineering.

He is also a French-speaking Canadian who has a special knowledge of problems connected with the province of Quebec with which I myself have no very intimate acquaintance. In addition to this he has had a close and intimate knowledge of the financial operations of the corporation and the disposal of its personnel. Under these circumstances, when I took over office, I utilized the very valuable services of Dr. Frigon. We are in continuous consultation with one another and all matters of general concern to the corporation are regularly discussed. I have asked him on the basis of making regular reports to me to take over the responsibility for technical and engineering matters; to have a general supervision over our French-speaking programs and also while retaining my own personal supervision, to be responsible to a certain extent, for the detailed administration of both finance and personnel. While these delegations of authority have been made to him, I would wish it to be understood that he has been most cooperative in reporting all matters to me in such manner as I would wish. I have also general supervision over all the other departments and receive regular reports from the responsible officers who are placed over them. In addition to this we have instituted regular monthly meetings of all heads of divisions, over which I preside and at which all outstanding matters of an executive character that are current are fully discussed.

With your permission, Mr. Chairman, I should now like to go on and say something about our overseas unit.

Overseas Unit

A Unit of the Canadian Broadcasting Corporation accompanied the Canadian troops when they proceeded overseas to Great Britain and has been located there now for the past three and a half years. The organization has been developed and expanded in the light of experience and to meet emergent needs. The original purpose of the Unit was to accompany the Canadian army in its operations and to send back direct reports for broadcasting. This remains our main objective and before I close this part of my statement I shall give some details of our proposed arrangements.

The prolonged stay of our army in Great Britain has also kept our unit in that country with the troops. However, Mr. R. T. Bowman accompanied the Canadian forces that took part in the Dieppe operations. On his return to England, he broadcast an account to Canada, which was well received. This is typical of the kind of service we hope to render for our listeners when the Canadian army is again engaged directly with the enemy.

Meantime, the overseas unit has performed valuable services in providing Canadian programs for our men, both of the army and the R.C.A.F. It brings them the authentic voice of home and we must recollect a considerable number of these men have now been away from Canada for quite a long time. It can be left to the imagination to realize the exciting and tonic effect of getting actual broadcasts of Canadian hockey matches, in the dramatic manner that appears to commend itself to those who are addicted to this particular kind of listening. We are informed that this program is very much appreciated by our men, and, incidentally, because these broadcasts are relayed by the B.B.C., they have introduced a novel experience to the British listener—and what could be more typically Canadian than a hockey broadcast? We are also able to provide broadcasts of Canadian news, which again, while they are primarily intended for our own men, have an interpretative value for the British public of what is going on in Canada. Our men want to hear about what is going on in the little home towns they have left and so we have inserted some of our “neighbourly news” programs, into our Canadian Calendar feature.

To ensure this service for our men in Great Britain, and it is a very great service, we have been dependent on the co-operation of the great organization known as the B.B.C. All the reports that have come to me confirm that such cooperation has been both close and cordial. My own personal relations with officials of the B.B.C., who have come to us from time to time have been of the happiest and most helpful character. Commonwealth relations depend for their strength not only on historical and formal ties. A living intercourse is now made possible by actual exchange of programs, not only by B.B.C. programs coming to us here in North America, but by Canadian programs being received in Great Britain. Then our unit overseas is a useful instrument of liaison for the B.B.C. in its work. Members of the staff can give direct information about the interests and needs of our Canadian people and so help the B.B.C. in arranging its programs for us.

The unit is always at work among the overseas forces. Both the army and air force have been very cooperative in giving us facilities to play our part in keeping up the ties with home. Last October, what had been a very considerable feature in our work, namely the recording of personal messages from the men for broadcasting in Canada, was dropped. There were unavoidable delays and sometimes very unfortunate incidents occurred, such as the post-humous broadcasting of messages from men who had already been killed in action. If more intensive operations develop, these embarrassing incidents will multiply and would only add further grief to sorrowing relatives. At the present time our staff are engaged in actuality broadcasts of the activities in which our men are engaged. Some notable features have been: A Canadian in Britain, a weekly report, broadcast on Sundays, 6.30-6.45 p.m. E.D.T.; "Sur le Qui Vive", largely on account of the doings of our French Canadian boys and "Eyes Front," a similar English feature. Then there are special features and lately we have been able to insert a very brief commentary in our national news bulletin. I should also mention that the B.B.C. accept a weekly variety program of our Canadian troops in Great Britain.

As I have already indicated, the main purpose of our being overseas is to provide information for the Canadian people about our troops in action. All I can say at present is to give you an assurance that our plans are complete to perform this service when the opportunity presents itself. Just a few days ago I had final conferences with representatives of the B.B.C. with whom of course we must co-operate fully in this matter, to clarify details about the accrediting of our staff, the provision of necessary equipment, the method of getting the information back from the battle areas, for its censorship, and its transmission to the Canadian home. At present we have overseas a full staff including a supervisor, Mr. J. Kannawin, and experienced newsmen and broadcasters, who will act as correspondents and, of course, along with them the necessary technical staff. We have made allowances for possible casualties—a necessary provision sadly brought home to us by the actual death in action of Edouard Baudry, who was killed while on a mission to Casablanca. When our Canadian troops get into action, we are proud to think that the C.B.C. will accompany them and we believe we shall be able to perform a notable service by broadcasting news directly from the actual field of operations to the Canadian listener in his home

Short Wave Broadcasting

Reference has already been made by the Minister for National War Services and the Chairman of the Board of Governors in their statements before the committee to the authority given us to proceed with the establishment of two 50 k.w. shortwave transmitters and three directional antenna, also associated apparatus, all to be set up at Sackville, N.B. The memorandum addressed to the meeting of the committee of the privy council by the Minister of National War Services dated 9th September, 1942, published in P.C. 8168 dated 18th

September, 1942, sets out in some detail the considerations that led to the authorized erection of this station and there is very little for me to say in addition to what has been there so well expressed.

I have no need to emphasize the important part that shortwave broadcasting now plays in human intercourse particularly of an international character. There are no frontiers in the war of radio: now nation can speak to nation with a directness and immediacy never before possible. The fact that the world is at war has greatly increased the importance of shortwave radio. In the battle of propaganda sometimes called political warfare or more colloquially "the war of nerves" that preceded the actual outbreak of hostilities and which certainly has not diminished since, this form of communication has had a very vital part to play. Shortwave radio was an ideal weapon in the hands of the fifth column; indeed, to a certain extent it provided the advance guard for that organization. It was no longer necessary to send hosts of agents abroad when shortwave radio was able to speak into so many tens of thousands of homes. All the artifices of propaganda have been used for this purpose and a number of very interesting publications have been issued dealing with this rather curious, but highly important aspect of international relations.

These more sinister aspects concerned with the propagandist use of short-wave are very much before our minds and we should not be allowed to overlook them but I am happy to think that there is also a brighter side. The people of the countries now occupied by our enemies are indeed exposed to a tragic fate, but they have not been entirely abandoned. The voice of radio has been able to penetrate into these occupied countries and so to get behind the enemy lines that have been drawn around their coasts and borders. It would be almost impossible to overemphasize the comfort, encouragement and inspiration that radio must have brought to these suffering peoples. Information seems to show that despite the vigilance of the enemy in occupation of their country, the inhabitants listen regularly to broadcasts coming from lands that can still claim to be free.

The B.B.C. has done a truly marvellous work in broadcasting authentic news and messages of encouragement for the beleaguered lands of the continent of Europe, and other parts of the world in a bewildering variety of languages. It would not be too much to claim that the B.B.C. has become the voice of hope for millions of persecuted and suffering people in the world today, and in the future the moral effect of its messages of encouragement will be regarded as a highly important factor in sustaining the courage of these hapless folk through darkest days that have extended into months and now years.

The United States of America has also had its share in this work and occasionally I am happy to think the C.B.C. has been able to provide programs for Canada to mingle its voice with those of other lands also in sending messages of encouragement to occupied countries.

For all of these reasons it is a very significant step particularly at the present time that Canada has at last decided to enter into the field of short-wave broadcasting. It is indeed a new development in the cultural relations between this and other countries. At the present time one naturally thinks of its use as an instrument not only to counteract enemy propaganda directed against us but also as a method of giving information to peoples that have been affected by the propaganda of the enemy. This was recognized in the memorandum submitted in the report on the basis of which the order in council setting up the shortwave broadcasting station was passed. But there were other aims also connected with the Canadian war effort. These were the need to establish closer contact with our Canadian troops abroad and to supply the United Kingdom and other countries of the commonwealth with accurate and timely information about Canada and the national war effort. Also, it was

suggested that a powerful shortwave station might come to the help of our French-speaking listeners in the maritime provinces and in western Canada by providing them with programs in their own language.

The memorandum also recognized that the establishment of a shortwave broadcasting station while it was of great importance in relation to the war had also a more permanent significance. As I have suggested it is a new development in Canada's relations with other countries. Indeed, keeping in mind the large part played by shortwave radio to-day it was a means of giving Canada a voice to join with the other radio voices of the world. It was only consistent with our self-respect and dignity as a people that we should have a voice to be heard among others.

About the technical details of the station, Dr. Frigon, the assistant general manager, will be prepared to answer any questions. Our engineering staff has worked with such keenness upon this project and it has given them a sense of satisfaction that they have been able to devote their abilities to plan a construction of such an interesting and highly technical character. As the chairman of the board intimated, our main difficulties have lain in the direction of securing the necessary material, but all steps to expedite this matter have been taken. I think it would be premature to make any firm announcement on the date when we expect this station to be in operation. Suggestions were made in answer to questions the other day. We are pushing on the work as speedily as possible and I can give the committee assurance that there will be no delay on our part.

The C.B.C. is the authorized body to proceed with the establishment of the station and we are also charged with the duty of operating it. For the cost of erection purpose a sum of \$800,000 has been appropriated to include the purchase of land and the construction of premises, the whole to be borne and absorbed as a charge to war appropriation. An estimate has also been made of the annual cost of operating and maintenance and this has been fixed at \$150,000 per annum. The cost of organizing and producing programs is placed at \$350,000. These two charges are to be borne and absorbed for the duration of the war by war appropriation and thereafter by such appropriations as may be provided annually by parliament.

Arrangements are now being made to plan the program material to be broadcast from Sackville. The memorandum of the minister directed that our work in this field should be carried on in consultation with the Department of External Affairs. Consequently, preliminary conversations have taken place between officials of the Department of External Affairs and, so far, the assistant general manager and myself as representing the C.B.C. We have a general understanding as to the line of policy to be adopted and are now preparing to take preliminary practical steps to carry these policies into operation. It will be an interesting and responsible part of our duties to put these plans into effect. It is our hope that as shortwave broadcasts may become a help to our country's cause in time of war, also in the constructive work that needs to be done in the promotion of good international relations in the years that follow. Canada may also be able to take an effective share through this same potent means.

All of which, Mr. Chairman, is respectfully submitted.

The CHAIRMAN: A very excellent presentation, Dr. Thomson.

Mr. TELFORD: Mr. Chairman, has the committee decided on the number of copies particularly of this report that will be printed?

The CHAIRMAN: Yes, at our first meeting we decided to print 500 copies in English and 200 in French.

Mr. TELFORD: In view of the excellent statement that has been presented to us I think that number should be increased. I think Dr. Thomson's presentation should have the very widest possible publicity that can be given to it.

The CHAIRMAN: That is a matter for the committee—

Mr. COLDWELL: I am wondering if it should be printed apart from the evidence in the form of a special pamphlet. It seems to me it might be printed apart from the usual method of printing of proceedings in the form of a special pamphlet for circulation throughout the country. Whether or not that could be undertaken I do not know.

The CHAIRMAN: That is not for the committee, it is for the corporation to decide.

The WITNESS: I presume this evidence is now the property of the committee.

The CHAIRMAN: No.

The WITNESS: It is not, sir?

The CHAIRMAN: No.

Mr. COLDWELL: It is Dr. Thomson's report to the committee.

The CHAIRMAN: There is nothing to interfere with the corporation making further distribution of it if they see fit.

The WITNESS: Well, sir, does the committee make any recommendation in the matter?

The CHAIRMAN: That is the matter under consideration. Is there any further comment relative to the matter that has been brought up by Mr. Telford?

Mr. ISNOR: Perhaps it might be well, Mr. Chairman, to hold in abeyance any decision until we have heard from the assistant general manager, as it may be advisable to issue the two reports in one pamphlet.

Mr. COLDWELL: We can make a recommendation to the Board of Governors.

Mr. TELFORD: What I had in mind was the possibility of supplying the press all across Canada with copies of our report containing Dr. Thomson's statement.

The CHAIRMAN: You understand, Mr. Telford, under the present circumstances it is not within the competence of the committee to do that without making a report to parliament, which would have to be adopted.

Mr. COLDWELL: We can recommend to the Board of Governors that they undertake the widest possible distribution of this report and possibly Dr. Frigon's as well.

The CHAIRMAN: It is not up to us to make a report to the Board of Governors. Our position from our reference is to make such report as we may to parliament.

Mr. COLDWELL: That is true.

The WITNESS: There is no harm in my conveying what has been said to the Board of Governors?

Mr. COLDWELL: None whatever.

Mrs. CASSELMAN: We respectfully request you to do so.

The WITNESS: I am your obedient servant.

The CHAIRMAN: Are there any further comments?

Mr. BERTRAND: Is it understood we will take this matter up again after we hear Dr. Frigon?

The WITNESS: Dr. Frigon is here and can speak for himself if you ask him, but I understand he has nothing in the nature of a formal statement to present to you; at any rate, that is what I understood from him. However, I think he has something prepared and I think it would only be fair to him that anything he has to say should be included in any such publication.

Mr. HANSON: Has Dr. Frigon any report prepared?

Dr. FRIGON: I did not expect it to come up this morning. I have a few pages on the French network.

Mr. COLDWELL: We can leave Dr. Frigon's statement for another day. I think we should all like to read what Dr. Thomson has said before making any extended comment on his presentation.

The CHAIRMAN: Is there any question any members wish to ask at the present time?

Mr. COLDWELL: I should like to ask one.

By Mr. Coldwell:

Q. I notice that you stated the appropriation made for the shortwave station was \$800,000.—A. Yes, sir.

Q. In opening up the copy of the minutes of a meeting of the committee of the privy council I notice on page 4 that the sum of \$800,000 includes an item of \$125,000 for duties and taxes on equipment. I notice the item says: "Transmitters (2) and speech input equipment (including duties and taxes) \$430,000." There is an item below that which says, "The cost of such duties and taxes amounts to approximately \$125,000." The reason I raise that point is this: I have heard some criticism of the appropriation of this amount of money, which appears to some people to be very large. I think it should be made quite clear that this includes the amount of \$125,000, which comes back to the government in the form of duties and taxes and therefore the actual amount is only \$675,000 and not \$800,000.

The CHAIRMAN: You mean by that, Mr. Coldwell, there will be a rebate of that to the corporation from the department?

Mr. COLDWELL: No, I do not think a rebate; I think this will be collected by the National Revenue Department in the ordinary way and credited to the consolidated funds of the country. There is an offset of \$125,000 to the expenditures by the government.

The CHAIRMAN: That does not reduce your cost any.

Mr. COLDWELL: No.

The CHAIRMAN: Not from the point of view of the financial set-up of the company.

Mr. COLDWELL: It does to the country; that is the point I make. This money is appropriated under the War Appropriation Bill by the government for the corporation, but the government receives from the corporation by way of duties and taxes \$125,000.

The CHAIRMAN: There will be many such instances in war financing and they are not entered as a credit.

Mr. COLDWELL: No.

The CHAIRMAN: A different system could not be followed here.

Mr. COLDWELL: I am not going to comment on the ridiculous position that really is.

The CHAIRMAN: I do not agree with you there; I do not think it is ridiculous; I think it makes a splendid permanent record.

Mr. COLDWELL: A direct tax on the equipment, paid to the government.

Mr. TRIPP: It is a matter of bookkeeping.

Hon. Mr. LAFLECHE: May I say a word? I think there is a general situation to which Mr. Coldwell's remarks apply and one would not want to take it in regard to this particular matter alone.

Mr. COLDWELL: No, I made it very clear that generally speaking taxes are collected on equipment coming into the country for war purposes, but I think, of course, the situation is rather absurd, but that is not for this committee to discuss but for the house.

Hon. Mr. LAFLECHE: On investigation you will find excellent reasons for the practice. I have had years of experience in that regard.

Mr. COLDWELL: It depends on the point of view. My point of view is the collection of these duties is something that cannot be defended, but that is a matter of point of view.

By Mr. Bertrand:

Q. Dr. Thomson, you mentioned a moment ago that music took up 55 per cent of the time of broadcasting; that meant all broadcasting?—A. No, sir, sustaining programs.

Mr. BERTRAND: Mr. Chairman, I think it would be of great interest to this committee to have incorporated in our minutes the Canadian Broadcasting Corporation's stations throughout Canada. I think it would give a picture to each and every one of the members just exactly of the service we have. One would be inclined to believe that we have more broadcasting service in this country than we actually have. I have been glancing over a map that was left with me a moment ago by Dr. Frigon, and I think it is a most interesting document and gives one an idea of the service that is being given to us by the Canadian Broadcasting Corporation.

The CHAIRMAN: I have no doubt that Dr. Frigon will probably submit that to the committee and it can be either published or distributed in connection with his statement. If that is done it will then come in in its proper place.

Mr. BERTRAND: I thought I should draw it to the attention of the committee anyway.

The WITNESS: We can make these maps available to the entire membership of the committee if it would help them.

Mr. BERTRAND: It would be very helpful, but I thought if it were placed in the evidence of the committee it would be more helpful.

The WITNESS: Could we get a small reproduction of that and print it in the proceedings?

Mr. BERTRAND: I do not think it is necessary to have the map with it, but it would be very necessary to have the remainder of the material which appears on the map.

The WITNESS: We can easily table the entire list of our stations. That could be easily tabled and submitted as a document. It was done, I think, last year, and we can bring it up to date, sir.

Mr. ROSS: I think what Dr. Thomson might do is give a list such as was given us last year of the various programs. You remember last year we had a list of the broadcasts that had taken place over the previous year.

The CHAIRMAN: You mean programs?

Mr. ROSS: Yes, a list of the programs.

The WITNESS: Well, sir, you mean just a synopsis?

Mr. ROSS: A synopsis, the names of them and so on.

The WITNESS: Yes. I sometimes can hardly compute myself the vast number of individual programs that are involved.

Mr. ROSS: I think Dr. Frigon remembers what was done last year.

Dr. FRIGON: I tabled last year a resume of the war programs on the French network, if that is what you refer to.

Mr. ISNOR: You will find it in No. 5.

The WITNESS: We can have before long such a synopsis as is desired of the main features that have gone on during the year.

Mr. TRIPP: We still have a little time. Can we have Dr. Frigon's statement so that we can have all of it before us up to date.

The CHAIRMAN: He is not ready to present it. Are there any further questions?

Mr. ISNOR: I have one or two arising out of—

The CHAIRMAN: Excuse me. Mr. Ross, in answer to your question, in volume 5 of the evidence of last year, appendix 1, we have a list of Canadian broadcasting stations as of November 2, 1936. It will be found on page 197. Is it your wish that we have the new list brought up to date?

The WITNESS: I have it here, sir, I can read it for you and it can be tabled.

The CHAIRMAN: If it is given to us it will be put in in the form of an appendix. (*See Appendix No. 1 in to-day's evidence.*)

The WITNESS: Very good, sir.

The CHAIRMAN: And brought up to date.

By Mr. Coldwell:

Q. You mentioned the children's program, "Just Mary". The young lady who does that series is excellent, I think. She has produced a couple of books, do you know how wide the sale has been? If we knew that it would give some indication of the appreciation.—A. I think I have the figures for you. It has been very wide and very popular.

Q. They are very good, I have listened to them myself.—A. Yes.

Q. On Sunday.

Mrs. CASSELMAN: It is a form of relaxation, entertainment, getting away from the present-day stress and strain of grown-ups.

The WITNESS: The total sales may interest you. We have sold of "Just Mary", which was published in February, 1941, 2,188; then published in November, 1941, 1,733 of the "Just Mary Again"; and "Just Mary Stories", published April, 1942, 775. I am not sure that we have got them computed for this year, but they are a continuing affair. It may be interesting to the committee to know that there are now applications for the series from the United States of America and Great Britain. I am informed that the total sale is around 10,000 copies, and we have had new applications from the United States and Great Britain to have that very delightful series of "Just Mary Stories".

By Mrs. Casselman:

Q. What do you charge for it?—A. We charge \$1; the first book sold for 50 cents.

Q. Is it a source of revenue for the corporation?—A. It covers a little more than the cost, but it is not a big source.

By Mr. Coldwell:

Q. You did not mention the service you are rendering to the Australian and New Zealand boys as well, in giving them news from home.—A. I can only give a very general summary, sir. We are not unmindful of our guests in this country at the present time. We are in close contact with our sister broadcasting corporations in the whole of the commonwealth. We feel there is almost a sense of fraternity between us. We look upon the B.B.C. as our very big brother. We have had visits from the representatives of the other corpora-

tions and part of our plan is to establish a real commonwealth solidarity, in what we are able to give to our guests in this country at the present time in so far as programs are concerned.

Q. I think it underlies your other remark; the fact that we are broadcasting Canadian news to the boys overseas gets people in Great Britain interested in Canada, because the Australian and New Zealand broadcasts here interest people in Australia and New Zealand. I think that is the underlying feature in your comment, which is all to the good.

By the Chairman:

Q. Dr. Thomson, in your statement you made reference to a new arrangement which has been made with reference to the collecting of news. The corporation has no agency of its own for that purpose. Now I understand there has been a new contract made with the news agencies; is that a fact?—A. Yes.

Q. Will you give us the nature of the contract and the terms of it?—A. Yes. I should say that heretofore, up until the end of March of this year, we had received from both the Canadian Press and the British United Press their services gratis. We were only responsible for making certain payments in connection with expenses. However, the organization of the Canadian Press, which is known as Press News Limited, represented to us that with their own increasing costs for their services and the fact that they were now in the radio field, they thought it was not entirely defensible that they should continue any longer to provide us with news gratis, and I entirely agreed. Consequently they approached us and we have been able to negotiate with them to provide us with service for the sum of \$40,000 per annum.

The B.U.P. then also raised the question of whether there should be any remuneration made to them, and we negotiated with them to provide foreign service news in which they specialize for the sum of \$25,000. These two contracts have been discussed and approved by the Board of Governors and they have been transmitted to the minister for final approval by council, because each of them involves an expenditure of a sum of more than \$10,000, and consequently the approval of the privy council must be given.

Q. Does that constitute all the contracts you have with news services?—A. Yes, sir.

Q. When you get news from the Wartime Information Board do they pay you for the dissemination of that news or do you pay them at any time for supplying it?—A. The Wartime Information Board does not supply us with news. I am talking now of our news bulletins, what you hear every night at ten o'clock and at other times throughout the day. These are composed by our own news staff, written specially for the air, and they are taken, as I stated in my evidence, from two services, with one very subsidiary source, entirely from the news despatches that are provided to us by the Canadian Press and by the British United Press. As I suggested, we have occasionally got a little bit of news of our own that is sent to us from our monitoring station here in Ottawa, but no other agency supplies us with the news. We do not get news from the Wartime Information Board.

By Mr. Isnor:

Q. In other words, it costs you \$65,000 a year to put out your news items?—A. Yes, sir.

Q. On the broadcast.—A. That is for the source of news, but it costs us a great deal more to provide the news.

By Mr. Tripp:

Q. From what source of information do you get the happenings in parliament?—A. It comes over the press despatches entirely.

By Mr. Isnor:

Q. Is that covered by the C.B.C. or other services as well?—A. I do not quite understand.

Q. The Canadian Press?—A. The Canadian Press and the B.U.P.

Q. I understand you to say you were provided by the Canadian Press—A. The Canadian Press is a great news-gathering agency, the great co-operative news-gathering agency of Canada in which all newspapers are involved, and we get our despatches from them. They come in just as they come into any newspaper office. The entire service is placed at our disposal and it includes the foreign news services that are in association with the Canadian Press. What we have covenanted to get from the B.U.P. is their foreign news particularly.

Q. Dr. Thomson, how long has the Bible studies or the Bible programs you mentioned in your report been on the air?—A. They began, I think, last fall, and they have just come to an end. They have had a very wonderful success.

Q. I was going to compliment the corporation on that service; I do not think I have ever heard anything but favourable comments in regard to any particular broadcast during the winter months.—A. I have received a great many very encouraging messages from church bodies and religious education committees.

Q. Is it your intention to renew it in the fall?—A. Oh, yes, sir, there will be something. We are just considering at the present time exactly what the nature will be. There will be some provision made for our young people.

Q. You mentioned "Mid-week Service," something in the nature of a prayer meeting. What time does that come on?—A. That is on Wednesday night.

Q. What time?—A. From 9.30 to 10.

Q. Eastern standard time?—A. Eastern daylight time.

Q. That is pretty late for those you mentioned that you had in mind as being helpful to them.—A. Mr. Isnor has just raised a problem that I am very glad to make a comment on. You have a time schedule all across Canada. In the east you have the Atlantic time, then you have eastern time, then you have central time, then you have mountain time and then Pacific time. You can imagine, sir, the problems that are raised by trying to operate a network in which there is a four-hour difference between the Atlantic and the Pacific in trying to put on a national feature. If you want to put on a concert in Vancouver at 8 o'clock in the evening when do you need to originate it? These are very difficult and intricate problems.

Q. I really appreciate that, but in view of what you said of reaching a certain type of person I really think you should consider the hour for future broadcasts of "Mid-week Service," which you have in mind. I think it should be carried at 7.30 E.D.T. instead of 8.30.

Mrs. CASSELMAN: Then it comes to us at half-past five in the afternoon.

The WITNESS: And 4.30 on the Pacific coast.

Mr. ISNOR: But the persons interested are likely at home at that hour.

Mrs. CASSELMAN: But perhaps not ready for her evening devotion.

By Mr. Tripp:

Q. Referring to that Wednesday night meeting, is not that the night the local churches usually have services in their own churches? Does your program conflict with them?—A. Where they still exist.

Q. Does your program conflict with these meetings? Would it not be better to have yours on Thursday night?—A. Well, sir, I should imagine that a person who has gone to a prayer meeting does not want the second one.

Q. Would it have the effect of your getting complaints from the ministers in certain localities that this program was keeping people away from the local meetings?—A. We can take that into consideration.

By Mr. Isnor:

Q. You spoke of the 10 p.m. news item as being national.—A. Yes.

Q. The other news hours centre around the 10 p.m. broadcast, is that it?—A. Yes.

Q. Now, with regard to the B.B.C. broadcast, have you a definite hour?—A. Oh, yes; that is at 6.45 E.D.T., and is the main bulletin. There is one earlier in the day.

Q. Earlier in the day and later at night?—A. Yes.

Q. But the 6.45 one is—A. I think the members of the committee should understand that you have a certain vital period beginning somewhere around 6.30 or 7 in the evening and finishing up somewhere after 10. You just think, Mr. Chairman, of what it is necessary to compress into that particular period, the competitive interests involved. When you think of that you can understand something of our programming problems.

Q. You look on the incorporation of a shortwave system as being a national responsibility?—A. I should say it certainly is.

Q. You have in mind the deficit to be taken up later by—A. Well, of course, the whole expenses of the shortwave are to be borne directly by the appropriation made by parliament. I suppose the theory is that the Canadian listener buys his licence and pays his licence fee to receive programs for himself and not to send to other people in the world.

Q. Your Act definitely states the C.B.C. was set up as a national project.—A. Yes.

Q. To broadcast news throughout Canada.

The CHAIRMAN: More or less.

The WITNESS: I do not think that was the exclusive definition. If the government wishes to utilize the body or if the country wishes to utilize the body which has experience in these matters and which is probably the only body in the country that can operate it without setting up a separate organization—

By Mr. Isnor:

Q. I was wondering as to whether it was necessary to amend the Act to give you the necessary authority.—A. All it says in the Act, sir, is this: "Section 8: The corporation shall carry on a national broadcasting service within the Dominion of Canada and for that purpose . . . may maintain and operate broadcasting stations. . . " and so on. I am afraid you have raised a question that I do not think I can deal with. All I can say is, as competent people—

The CHAIRMAN: Is not the general interpretation of that, the physical side of it shall not be outside of Canada?

Hon. Mr. LAFLECHE: The operations are within Canada, but there are no boundaries to the air.

The WITNESS: We do know that a considerable number of people in the United States listen to our programs now.

By Mr. Isnor:

Q. The responsibility on the country for the first year, we will say, is \$1,300,000. Out of that they estimate the cost of operating will be \$350,000.—A. That is the estimated cost for this year. What it will amount to if this thing develops, I am not prepared to say.

By Mr. Coldwell:

Q. I note on page 4 of the document the following: "According to available information, the annual operating and maintenance cost, including wire lines connecting the transmitters with associated studios, has been estimated at a current annual charge or expense of \$150,000.—A. Yes; then for programs, in addition to that, \$350,000, sir.

By Mr. Isnor:

Q. You mentioned having received tenders for the construction of such a station.—A. Yes, sir.

Q. Are you at liberty to state the amount of the contract?—A. There has been a contract, certainly, for some of the equipment.

Q. Equipment and construction of the station.—A. We have made an estimate of the construction. The construction is not completed. As a matter of fact in certain respects difficulties arise. First of all there is the equipment, the transmitter, which is of vital importance in the undertaking. Then there is the question of the erection of the physical structure. Now, up to the present time we simply have sent out our specifications. We have some assurance we can get transmitters. It was not much use to go ahead and put up a building if you have nothing to put inside it. Now we have some assurance we are going to get transmitters and other associated equipment. We have just got the specifications completed, and these are being sent out to a group of interested contractors, and they will be asked to submit their tenders.

Q. How is the cost of equipment up to date compared with your estimate as tabled last year?—A. Well that is a little bit of a problem. You see, you are dealing with the United States of America, where there is not quite the same ceiling on prices as there is here, and the costs of labour are not entirely stationary, and while there is hope that we will be able to get everything within the actual appropriation and, in fact, that is what we will have to do, it is a difficult business at the present time. The assistant general manager has just brought certain matters to my notice that might throw a number of calculations out a little, but these are just part of the whole problem to be faced in the financial operations of an affair of this kind.

Q. You mentioned to-day you hesitated to state any definite time as to when this shortwave station will be completed. It was mentioned the day before yesterday that it should be in operation in fourteen months' time. Have you ever considered using any of the American shortwave stations?—A. We have used them from time to time and they are being used for sending material quite frequently. The whole project here is that Canada should be in charge of her own affairs in this respect.

Q. You have a contract at the present time with them?—A. No, sir; we are not authorized to do that.

By the Chairman:

Q. Dr. Thomson, I should like to ask you one or two questions with reference to advertising for the victory loan and other services, which the C.B.C. render to government agencies. Do you charge any fee for that service?—A. Yes, sir.

Q. You do?—A. Yes.

Q. Is it at all in proportion—A. Oh, considerable.

Q. —with revenue from other departments of government?—A. Oh, yes, sir.

Q. The reason I brought that up is I had knowledge that was the case. That removes in my mind any anomaly that there might be over the fact that the C.B.C. has to pay duties and taxes to another department of government, if the

C.B.C. for their own services collect money. Now, would you wish to make comment on why the speech of Mr. Anthony Eden in the House of Commons was not broadcast when he was here?—A. Well, sir, all I can say to that is I intimated to the Prime Minister that the Canadian Broadcasting Corporation was ready and willing, if desired, to broadcast the proceedings from parliament. After that I thought parliament or the government, whoever is in charge of the proceedings in parliament, could make its own arrangement in connection with the matter.

Q. Any objections to you from the news agencies?—A. No, sir.

Q. Any objections to the effect that it should not be broadcast?—A. No, sir.

By Mr. Hanson:

Q. Who was it turned down by?—A. I do not know.

Mr. COLDWELL: I think some people, as a matter of fact, have an objection to broadcasting directly from the chamber of the House of Commons. Do you remember the situation that arose in Great Britain when it was suggested that Mr. Churchill should broadcast directly from the House of Commons? Objections were raised there, and I have heard the same objections here.

By Mrs. Casselman:

Q. Is Mme. Chiang Kai Shek to broadcast?—A. Yes; we have been asked by the Department of External Affairs to make arrangements that the address which Mme. Chiang Kai Shek is to give next week be broadcast. I do not know what the official position is in regard to parliament, whether it is an actual session of parliament or not; that is a matter I do not know anything about.

Hon. Mr. LAFLECHE: At what hour will the broadcast be made?

The WITNESS: At 11.30.

Hon. Mr. LAFLECHE: That is not ordinary parliamentary hours.

The WITNESS: Those are the intimations we have received.

By the Chairman:

Q. Is that next week?—A. I believe so.

The CHAIRMAN: Then we will have to arrange our meetings accordingly.

By Mr. Isnor:

Q. As general manager do you attend meetings of the Board of Governors?—A. Yes, sir, I must attend them.

Q. I notice the 1939 report showed the board held three meetings, in 1940 five meetings, and in 1941 four meetings. Last year, whether it was due to the suggestion made by the committee or not in its report, the board held nine meetings?—A. Yes, sir. Since the last committee, seven, but that is not a full calendar year. You are talking about an actual calendar year.

Q. The chairman of the board stated that in his report?—A. Yes.

By Mrs. Casselman:

Q. Do I understand there is a board meeting next week and may interfere with our meetings?—A. The board is scheduled to meet on Monday and if they adopt their customary practice they will also meet on Tuesday. Their proceedings have taken two days.

Q. Would you state where this shortwave station is to be built?—A. At Sackville, New Brunswick.

By Mr. Isnor:

Q. That is where CBA is located at the present time?—A. Yes.

The CHAIRMAN: There have been distributed certain orders in council and a list of the governors to date. If there are any members who have not received copies of these two documents they may receive them on application to the clerk. The list of the Board of Governors, time of appointment, and other information in connection with them will be published in the record.

(See appendix No. 2 in to-day's evidence.)

(Discussion in regard to the next meeting.)

The CHAIRMAN: The understanding is we shall meet next week on Thursday and Friday. At the two meetings Dr. Thomson will continue with his statement and Mr. Morin, the Chairman of the Board of Governors, will be here for questioning, if desired, after which we shall continue to make any observations or questions to Dr. Thomson that we see fit.

The WITNESS: There is also the Assistant General Manager.

The CHAIRMAN: It is up to the committee whether they want to have Dr. Frigon's statement before discussing the others.

Mr. COLDWELL: If we are going right through with Dr. Thomson and Dr. Frigon on Thursday and Friday it may be that we shall not require Mr. Morin at all next week.

The CHAIRMAN: All right, next week we shall have Dr. Thomson and Dr. Frigon and then such questions or observations as the committee wishes to make in connection therewith.

We shall adjourn now to meet on Thursday at 11 o'clock.

The Committee adjourned at 1 o'clock to meet on Thursday, June 17, at 11 a.m.

APPENDIX No. 1

CANADA

DEPARTMENT OF TRANSPORT

OTTAWA

LIST OF BROADCASTING STATIONS IN CANADA

(as of April 1, 1943)

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CBA	Canadian Broadcasting Corporation, Sackville, N.B.....	1070	50000
CBF	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.....	690	50000
CBFW	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.....	6090	7500
CBFX	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.....	9630	7500
CBFY	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.....	11705	7500
CBFZ	Canadian Broadcasting Corporation, 1231 St. Catherine St. W., Montreal, P.Q.....	15190	7500
CBJ	Canadian Broadcasting Corporation, Chicoutimi, P.Q.....	1580	1000
CBK	Canadian Broadcasting Corporation, Watrous, Sask.....	540	50000
CBL	Canadian Broadcasting Corporation, 805 Davenport Rd., Toronto, Ont.....	740	50000
CBM	Canadian Broadcasting Corporation 1231 St. Catherine St. W., Montreal, P.Q.....	940	5000
CBO	Canadian Broadcasting Corporation, Chateau Laurier Hotel, Ottawa, Ont.....	910	1000
CBR	Canadian Broadcasting Corporation, Hotel Vancouver, Vancouver, B.C.....	1130	5000
CBRX	Canadian Broadcasting Corporation, Hotel Vancouver, Vancouver B.C.....	6160	150
CBV	Canadian Broadcasting Corporation, Chateau Frontenac Hotel, Quebec, P.Q.....	980	1000
CBY	Canadian Broadcasting Corporation, 805 Davenport Rd., Toronto, Ont.....	1010	1000 D.A
CFAC	The Southam Company Ltd., Southam Bldg., Calgary, Alta.....	960	1000
CFAR	Arctic Radio Corporation, 120 Main St., Flin Flon, Man.....	1400	100
CFCF	Canadian Marconi Co. Ltd., 1231 St. Catherine St. W., Montreal, P.Q.....	600	500
*CFCH	R. H. Thomson, 37 Main St. E., Capitol Theatre Bldg., North Bay, Ont.....	600	100
CFCN	The Voice of the Prairies, Ltd., Toronto General Trusts Bldg., Calgary, Alta.....	1010	10000
CFCO	John Beardsall, William Pitt Hotel, Chatham, Ont.....	630	100
CFCX	Canadian Marconi Co. Ltd., 1231 St. Catherine St. W., Montreal, P.Q.....	6005	75
CFCY	The Island Radio Broadcasting Co. Ltd., 85 Kent Street, Charlottetown, P.E.I.....	630	1000
CFGP	Northern Broadcasting Corp., Ltd., Donald Hotel, Grande Prairie, Alta.....	1340	250
CFJC	Kamloops Sentinel, Ltd., 310 St. Paul St., Kamloops, B.C.....	910	1000
CFLC	J. C. Whitby, Fulford Bldg., Brockville, Ont.....	1450	100
CFNB	James S. Neill & Sons, Ltd., York St., Fredericton, N.B.....	550	1000
CFOS	H. Fleming, 904-2nd Ave. East, Owen Sound, Ont.....	1400	250
CFPL	The London Free Press, Printing Co. Ltd., 442-446 Richmond St., London, Ont.....	1570	1000 D.A
CFPR	Northwest Broadcast & Service Co. Ltd., 336-2nd ave, Prince Rupert, B.C.....	1240	50
CFQC	A. A. Murphy & Sons, Ltd., Murphy Building, First Ave. S., Saskatoon, Sask.....	600	1000
CFRB	Rogers Radio Broadcasting Co. Ltd., 37 Bloor St. W., Toronto, Ont.....	860	10000

* Temporarily operating on 1230 Kc/s.

APPENDIX No. 1—Continued

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CFRC	Queen's University, Fleming Hall, Kingston, Ont.	1490	100
CFRN	G. R. A. Rice, C. P. R. Bldg., 10012 Jasper Ave., Edmonton, Alta.	1260	1000
CFRX	Rogers Radio Broadcasting Co. Ltd., 37 Bloor St. W., Toronto, Ont.	6070	1000
CFVP	The Voice of the Prairies, Ltd., Toronto General Trusts Bldg., Calgary, Alta.	6030	100
CHAB	C.H.A.B. Limited, Grant Hall Hotel, Moose Jaw, Sask.	800	1000
CHAD	R. H. Thomson, (Northern Broadcasting & Publishing Ltd.), Amos, P.Q.	1340	250
CHEX	Peterborough Broadcasting Co. Ltd., Hunter & Water Sts., Peterborough, Ont.	1430	1000 DA
CHGB	G. Thomas Desjardins, Main St., St. Anne de la Pocatiere, P.Q.	1230	250
CHGS	R. T. Holman, Ltd., Holman Bldg., 190 Water St., Summerside, P.E.I.	1480	100
CHLN	Le Nouvelliste Ltee, Hotel Chateau de Blois, Three Rivers, P.Q.	1150	100
CHLP	La Patrie Publishing Co. Ltd., Sun Life Bldg., Montreal, P.Q.	1490	250
CHLT	La Tribune Ltee., 3 Marquette St., Sherbrooke, P.Q.	1240	250
CHML	Maple Leaf Radio Co. Ltd., Pigott Bldg., James St. S., Hamilton, Ont.	900	1000
CHNC	The Gaspesian Radio Broadcasting Co. Ltd., Main St. & Blvd. Perron, New Carlisle, P.Q.	610	1000
CHNS	The Maritime Broadcasting Co. Ltd., Broadcasting House, 10 Tobin St., Halifax, N.S.	960	1000
CHNX	The Maritime Broadcasting Co. Ltd., Broadcasting House, 10 Tobin St., Halifax, N.S.	6130	500
CHOV	D. A. Jones, Provincial Bank Bldg., Pembroke, Ont.	1340	250
CHPS	Gordon E. Smith Parry Sound, Ont.	1450	250
CHRC	C.H.R.C. Limited, 34 Begin Ave., Quebec, P.Q.	800	1000 DA
CHSJ	New Brunswick Broadcasting Co. Ltd., 14 Church St., Saint John, N.B.	1150	1000
CHWK	Chilliwack Broadcasting Co. Ltd., Wellington Ave., Chilliwack, B.C.	1340	100
CJAT	Kootenay Broadcasting Co. Ltd., 815 Victoria St., Trail, B.C.	610	1000
CJER	J. A. Brilliant, 1 St. Jean St., Rimouski, P.Q.	900	1000
CJCA	The Southam Co. Ltd., 10113-104th St., Edmonton, Alta.	930	1000
CJCB	Eastern Broadcasters, Ltd., Radio Bldg., 318 Charlotte St., Sydney, N.S.	1270	1000
CJCJ	The Albertan Publishing Co. Ltd., 120-7th Ave. West, Calgary, Alta.	1230	100
CJCS	Frank M. Squires 23 Albert St., Stratford, Ont.	1240	50
CJCX	Eastern Broadcasters, Ltd., Radio Bldg., 318 Charlotte St., Sydney, N.S.	6100	1000
CJFX	Atlantic Broadcasters Ltd., Antigonish, N.S.	580	1000 DA
CJGX	Yorkton Broadcasters Co. Ltd., Broadway Ave., Yorkton, Sask.	1460	1000
CJIC	J. G. Hyland, Windsor Hotel, Sault Ste. Marie, Ont.	1490	250
CJKL	Northern Broadcasting & Publishing Ltd., Arcade Bldg., Kirkland Lake, Ont.	560	1000
CJLS	Laurie L. Smith, 529 Main St., Yarmouth, N.S.	1340	100
CJOC	H. R. Carson, Ltd. Marquis Hotel, Lethbridge, Alta.	1060	1000
CJOR	C.J.O.R. Limited, Hotel Grosvenor, 846 Howe St., Vancouver, B.C.	600	1000
CJRC	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	630	1000
CJRM	Transcanada Communications Ltd., Saskatchewan Life Bldg., Regina, Sask.	980	1000
CJRO	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	6150	2000
CJRX	Transcanada Communications Ltd., Free Press Bldg., 300 Carlton St., Winnipeg, Man.	11720	2000
CJVI	Island Broadcasting Co. Ltd., 620 View St., Victoria, B.C.	1480	500
CKAC	La Presse Publishing Co. Ltd., 980 St. Catherine St. W., Montreal, P.Q.	730	5000
CKBI	Central Broadcasting System, Ltd., Sanderson Bldg., Prince Albert, Sask.	900	1000
CKCA	Kenora Broadcasting Co. Ltd., Kenricia Hotel, Kenora, Ont.	1450	250-Day 100-Night
CKCH	La Compagnie de Radiodiffusion CKCH Le Droit, Limitee, 85 Champlain Ave., Hull, P.Q.	1240	250
CKCK	Leader-Post Limited, 1853 Hamilton St., Regina, Sask.	620	1000
CKCL	Dominion Battery Co. Ltd., 444 University Ave., Toronto, Ont.	580	1000 DA
CKCO	Dr. G. M. Geldert, 272 Somerset St. W., Ottawa, Ont.	1310	1000 DA-N

APPENDIX No. 1—Concluded

Call Sign	Name of Licensee and Address of Main Studio	Frequency (KC/S)	Operating Power (Watts)
CKCR	Wm. C. Mitchell & G. Liddle, Waterloo Trust Bldg., 31 Ontario St. S., Kitchener, Ont.	1490	250
CKCV	C.K.C.V. Limited, 142 St. John Street, Quebec, P.Q.	1340	100
CKCW	Moncton Broadcasting Co. Ltd., Knights of Pythias Hall, Moncton, N.B.	1400	250
CKFX	Western Broadcasting Co. Ltd., 543 Seymour St., Vancouver, B.C.	6080	10
CKGB	R. H. Thomson, Thomson Bldg., Timmins, Ont.	1470	1000
CKLN	News Publishing Co. Ltd., 711 Radio Avenue, Nelson, B.C.	1240	250
CKLW	Western Ontario Broadcasting Co. Ltd., Guaranty Trust Bldg., Windsor, Ont.	800	5000
CKMO	Sprott-Shaw Radio Co., 812 Robson St., Vancouver, B.C.	1410	100
CKNB	Restigouche Broadcasting Co. Ltd., Campbellton, N.B.	950	1000 DA
CKNX	W. T. Cruikshank, Josephine St., Wingham, Ont.	920	1000 DA-N
CKOC	Wentworth Radio Broadcasting Co. Ltd., Wentworth Bldg., Hamilton, Ont.	1150	1000-Day 500-Night
CKOV	Okanagan Broadcasters Ltd., Mill Ave., Kelowna, B.C.	630	1000
CKPC	The Telephone City Broadcast Ltd., Arcade Bldg., 49 Colborne St., Brantford, Ont.	1380	100
CKPR	Dougall Motor Car Co. Ltd., Radio Hall, 104½ S. May St., Fort William, Ont.	580	1000
CKRN	La Compagnie de Radiodiffusion, Rouyn-Noranda Ltee., Riley Hardware Bldg., Rouyn, P.Q.	1400	250
CKSO	W. E. Mason, 21 Elgin St. N., Sudbury, Ont.	790	1000
CKTB	E. T. Sandell, St. Paul E. & Yates Streets, St. Catharines, Ont. ...	1550	1000
CKUA	University of Alberta, Electrical Engineering Bldg., Edmonton, Alta.	580	1000
CKVD	La Voix d'Abitibi Limitee, 586 Third Ave., Val d'Or, P.Q.	1230	100
CKWS	Allied Broadcasting Corporation, 306 King St. E., Kingston, Ont. ...	960	1000 DA
CKWX	Western Broadcasting Co. Ltd., 543 Seymour St., Vancouver, B.C.	980	1000
CKX	Manitoba Telephone System Princess and 8th Streets, Brandon, Man.	1150	1000
CKY	Manitoba Telephone System, Telephone Bldg., Winnipeg, Man. ...	999½	15000

APPENDIX No. 2

CANADIAN BROADCASTING CORPORATION

BOARD OF GOVERNORS

Name	Date of Appointment	Date of Re-appointment	Date of Expiry	Remarks
Rene Morin, General Manager, General Trust Co.....	November 2, 1936	— November 2, 1939	November 1, 1939 November 1, 1942	Vice-Chairman from November 2, 1936 to January 22, 1940. Appointed Chairman on 23rd January 1940 to November 1, 1942.
J. Wilfrid Godfrey, Barrister at Law	November 2, 1936	— November 2, 1938 November 2, 1941	November 1, 1938 November 1, 1941 November 1, 1944	
Rev. Canon Fuller, Canon of the Church of England	May 30, 1937	— November 2, 1938 November 2, 1941	November 1, 1938 November 1, 1941 November 1, 1944	Appointed to replace Colonel Bovey.
Dean Adrien Pouliot, Civil Engineer	June 29, 1939	— November 2, 1941	November 1, 1941 November 1, 1944	Appointed to replace Monsignor Vachon.
R. Rowe Holland, Solicitor..	March 17, 1942	—	November 1, 1943	Appointed to replace Gen. V. W. Odlum
E. H. Charleson, Barrister...	May 1, 1942	—	November 1, 1943	Appointed to replace Alan B. Plaunt.
Howard B. Chase, Trade Union Official	November 2, 1942	—	November 2, 1945	To replace Rev. J. S. Thomson.
Mrs. T. W. (Mary) Sutherland, Housewife	November 1, 1942	—	November 1, 1945	To replace Mrs. Nellie McClung.

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Canada Radio Broadcasting, Special
Committee on, 1943

(SESSION 1943)

(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

ON

(RADIO BROADCASTING)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, JUNE 17, 1943

WITNESSES:

Dr. James S. Thomson, General Manager and
Dr. Augustin Frigon, Assistant General Manager
of the Canadian Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



MINUTES OF PROCEEDINGS

THURSDAY, June 17, 1943.

The Special Committee on Radio Broadcasting met at 11 a.m. Mr. J. J. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Boucher, Bertrand (*Prescott*), Coldwell, Diefenbaker, Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Laflamme, Matthews, McCann, Mullins, Rennie, Telford and Tripp.—17.

Dr. James S. Thomson, general manager of the C.B.C. was recalled and examined.

The witness concluded his statement with a financial report of the C.B.C. He tabled a comparative balance sheet for the years 1940, 1941, 1942 and 1943. Copies were distributed to the members present.

He was assisted by Mr. Harry Bramah, assistant to the Treasurer.

Ordered,—That the above mentioned balance sheet be printed in to-day's Minutes of Evidence. (*See Appendix No. 1*).

In his concluding remarks, Dr. Thomson referred to the C.B.C. staff both in Canada and overseas.

Witness was retired.

Dr. Augustin Frigon, assistant general manager of the C.B.C. was called and questioned.

The witness reviewed the French network, the Engineering Department and the short wave project.

Dr. Frigon was retired.

It was agreed that Dr. Thomson would be available for examination at the next meeting.

The Committee adjourned at 12.55 p.m., until Friday, June 18, at 11 a.m.

ANTONIO PLOUFFE,

Clerk of Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, June 17, 1943.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: I think it was proposed at our last meeting that the first business of today's meeting would be to allow Dr. Thomson to complete his statement and that he would be followed by Dr. Frigon. I would therefore ask Dr. Thomson to proceed.

Dr. James S. THOMSON, General Manager, Canadian Broadcasting Corporation, recalled:

The WITNESS: Mr. Chairman and honourable gentlemen. I now submit the balance sheet and the statement of income and expenditure for the year ended March 31, 1943, with comparative figures for the previous three years.

I think that has been distributed and is in the hands of the members of the committee.

The CHAIRMAN: Will you excuse me a minute, please? The order of reference of this committee reads: "That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development." I should like to know what the thought of the committee is with reference to having the balance sheet up to March, 1943. That report has to be submitted yearly to parliament, and it has not been submitted to parliament for the year ending March, 1943. That last one we have is for the year ending March, 1942. My idea is that the reference which we have, on the motion of parliament, is to investigate that financial report, and not the one up to the end of March, 1943.

The WITNESS: It is my understanding, Mr. Chairman, that the 1942 financial statement was considered by this committee last year.

The CHAIRMAN: No, I do not think that is the situation; because at the time when we last met, it had not been presented.

The WITNESS: Is there any limitation in the order of reference, Mr. Chairman?

The CHAIRMAN: The order of reference reads: "That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development."

Mr. COLDWELL: It mentions revenues, does it not?

The CHAIRMAN: Yes.

Mr. COLDWELL: I would say that would cover any revenues we wanted to ask about.

The CHAIRMAN: That may be so. That is one of the points I wanted to have cleared up. This report for the year ending March 31, 1942, I think is submitted in September. Is that right?

The WITNESS: Yes.

The CHAIRMAN: If that is the case, the financial report that we would proceed to discuss now would not be submitted to parliament until later.

The WITNESS: I have reference to that in my evidence, Mr. Chairman. If I may be permitted to continue, I go on to say:

In a sense, these submissions are reports rather than official documents. They have been presented to me by the treasurer and have been accepted by the Board of Governors, but the official financial statement must bear the Auditor General's certificate and will be included in the annual report of the corporation, submitted to parliament through the minister in terms of the Canadian Broadcasting Act, 1936, sections 20, 26. However, our accounts are under a continuous audit by the Auditor General's department.

Mr. HANSON: Mr. Chairman, would it not be possible to have the annual report submitted up to the end of March 31? In other cases, like the Canadian National Railways, their year is ended on March 31, and the railway committee meets sometime in April. They have the annual report presented at those meetings. Could it not be arranged that we could have the report of the C.B.C. for the meetings of the committee on radio broadcasting?

Mr. COLDWELL: I should think if we learned of an expenditure that the Canadian Broadcasting Corporation had made or a revenue they had received within the last two weeks, we would be quite entitled in this committee to ask question about it. I think the word "revenues" is inclusive, and I do not think it is modified to any extent by the first sentence which you read regarding the actual report.

Mr. HANSON: I would suggest, if it is possible, that the annual report of the Canadian Broadcasting Corporation be presented to the parliamentary committee in the same way as reports of other government-controlled corporations are presented to parliamentary committees which are going over them each year.

The CHAIRMAN: I am not just clear on this point, but I think that we could easily clear it up by referring to the Act. I think the Act specifically states, does it not, that the report shall be presented at such a time; I have reference to the Broadcasting Act. Could we have that? What does it say, Dr. Thomson, with reference to the annual report?

The WITNESS: I think I know where it is. It is a regulation. The Canadian Broadcasting Act, section 26, reads as follows:—

The Corporation shall through the Minister submit an annual report to Parliament in such form as the Minister may prescribe.

The CHAIRMAN: Yes.

Mr. HANSON: But it does not say when. I think that, when the committee sits, we should have the report.

Mr. ISNOR: Does it really matter, Mr. Chairman? We have a statement here which, I think, gives us a pretty good idea of the financial position.

The CHAIRMAN: We can go on the assumption, which is correct, that the financial report is only part of the annual report. Is that correct?

The WITNESS: Yes, sir.

The CHAIRMAN: All right; you may proceed, as long as there is no objection.

The WITNESS: Continuing:

Before referring to the financial report for the year, I should like to give a very brief resumé of the financial history of the corporation since its inception, with some remarks on its financial progress.

By-law 3 of the corporation provided that "effective upon, from and after the 2nd November, 1936, the corporation shall and it does hereby take possession of all property and assets and assume all the obligations and liabilities of the Canadian Radio Broadcasting Commission."

For practical purposes, this meant taking over the physical plant of the commission, consisting of four transmitters located at Charlesbourg, Hawthorne, Richmond Road and Lulu Island, with their real estate, buildings and technical equipment, also a stock of records and music, some furniture and office supplies.

The estimated value of these assets was \$336,333.41. The corporation also inherited a certain amount of receivable accounts and liabilities, including payments for wireline charges. But the real asset on November 2, 1936, was the physical property to which I have alluded.

The corporation has been in operation for six and a half years and during that period the physical plant and service to the Canadian people have expanded involving a proportionate increase of staff. Now the corporation is in the happy position not only of being entirely free of any indebtedness, but I am able to present you with what I trust you may consider to be a highly satisfactory balance sheet.

The sources of income do not alter. They are the income derived from licence fees and the proceeds of commercial broadcasting. During the life-term of the corporation, loans have been advanced by the government—\$500,000 in February, 1938 and \$750,000 in November and December, 1939, a total of \$1,250,000. These loans have been repaid in full, \$503,398 during the last fiscal year. The income received from both regular sources has shown a steady increase year by year.

The income has been expended in two ways—the current maintenance of broadcasting services and the expansion of physical plant and equipment. In the latter respect the loans received have helped to meet the necessary capital outlays, and now that they have been repaid, the corporation has substantial physical assets as its property.

The main objects of current expenditure for the maintenance of broadcasting service are (as the statements submitted disclose)—programs, the network (i.e. wireline charges), engineering, administration and general, press and information services, commercial operations. To this must be added amounts for interest on loans. There is also an item in the accounts for depreciation.

Capital outlays have gone into the erection of new stations and the improvement of those already in existence. The principal expenditures have been for four high power stations—CBA at Sackville, N.B., CBF, Montreal, CBL, Toronto and CBK at Watrous, Saskatchewan, costing altogether for building and technical equipment nearly \$1,300,000. Another \$1,000,000 has been spent for three smaller transmitters and other equipment.

Every year, as the result of careful financial policies and prudent management, the corporation has shown a substantial operating surplus. This has enabled the governors to cope with the rather unique problems connected with an independent public corporation. There is, strictly speaking, no capital investment, so that provision must be made for capital as well as current expenditures out of current revenue. The only assistance received has come from the loans to which reference has been made, and which have been repaid from the surplus of income over expenditures.

The present position may be stated in the following way. Six and a half years ago the corporation began with assets to the value of approximately \$336,000. During the period of operation the corporation has handled over \$25,000,000, of which licence fees provided \$18,500,000 and commercial revenue provided \$5,250,000. In addition, government loans were advanced to an amount of \$1,250,000.

By far the greater proportion of this income has gone back to the people of Canada in broadcasting services—to be exact \$20,345,000. Of this amount, half has been paid for programs—\$10,381,000 for program staff, artists, speaker, etc.—\$8,036,000 for the technical handling of these services—(\$4,302,000 for the hire of wirelines and \$3,734,000 for engineering)—\$1,073,000 has gone for administration and \$855,000 for the operating of our commercial department and for publicity. \$2,621,000 represents the capital expenditure for the erection of stations including real estate, buildings, equipment, etc., but as you will observe,

this amount has been written down very considerably in the balance sheet on account of depreciation. Of this I shall speak later. After re-paying our loans with interest, this leaves as a result of $6\frac{1}{2}$ years of operation a record of expanding service to be measured in terms of public enjoyment, a chain of stations across Canada providing for programs for 95% of our people, and \$1,447,000 in cash or receivable accounts. Of this latter sum \$500,000 is held in Dominion of Canada bonds.

The Corporation does not exist for the making of profit. A substantial amount of cash on hand is necessary in the very nature of our operation. We handle approximately five million dollars per annum and the free cash may therefore be described properly as our operating capital. It is the guarantee of our freedom, which in turn is the condition of effective service. Moreover, we have to look ahead, especially in a youthful venture such as radio broadcasting. During these years of war, services cannot be expanded to any great extent, new material cannot be procured, but at the close of hostilities the corporation must be heady to overhaul its entire equipment. We are told that through the necessities of war, radio has undergone a complete transformation. The C.B.C. must be ready to make this experience available for the service of the Canadian people.

Meantime, I present this statement to you as a record of wise planning, faithful stewardship and sound administration in a great public service.

The balance sheet and statement of income and expenditure for the year ending March 31, 1943 are now before you and I am ready to answer questions or to provide fuller information.

Our two major sources of income show a slight increase. Income from radio licences is up by slightly over \$216,000 and the total number of radio users represented by the licence fees is \$1,728,880. Income from commercial operations has also gone up by approximately \$186,000 and our entire income for the year is just short of \$5,000,000 by \$30,000. Expenditure on broadcasting service is actually in excess of the income received from licences, so that every cent paid by the Canadian public for licence fees and more is expended for what is returned to the listener in his home through the receiving set. Incidentally, may I say that the licence fee of \$2.50 is not a tax, as it is sometimes described—it is a licence fee for services rendered and received. The largest item of expenditure is, as it ought to be, nearly \$2,350,000 on programs, but it should be explained that this amount is payment for the actual production of programs in the studio or from whatever point they originate. To that expenditure must be added the cost of engineering services required to enable the program to be on the air. For example, there is a large fixed charge of nearly \$780,000 for what is called the station network, i.e. for the rental of wireless to carry our programs all across Canada. It costs nearly \$810,000 for engineering services and equipment, \$208,000 goes for administration, 4 per cent of the total expenditures, not an excessive amount when you consider that a dominion-wide organization has to be maintained, and also, at the present time, an overseas unit. The amount of \$102,000 for the commercial department is the cost of operation, being rather less than 8 per cent of the revenue received. Moreover the amount spent on publicity, approximately \$90,000, not quite 2 per cent of our total budget, is comparatively small; indeed, to my mind, not at all adequate.

Another item on the expenditure side is the annual charge for depreciation of a little over \$411,000. The rate of depreciation for buildings is 5 per cent and for technical equipment 20 per cent. The latter rate is necessary because of the rapid obsolescence of radio equipment. As I observed earlier, we are informed that when this war is over, as a result of the new developments that have taken place through the use of radio as a weapon of war, radio engineering will have undergone a major transformation.

Our revenue from commercial operations thus enables us to do a great amount of public service. For example, \$124,000 has been spent on maintaining the overseas unit. Commercial income comes in part from very popular programs, some of them originating from the United States of America, where broadcasting is almost entirely on a commercial basis. Incidentally, I may say that the private stations that are associated with us on the network also derive considerable benefit for our commercial services. Last year, they received a total income of \$787,000 through the C.B.C.

On the operations of the year there is a net operating surplus of \$230,261.56 which is transferred as surplus to the balance sheet about which I need to say very little. Our assets are cash, receivable accounts, investments, plant, and stores and our only liabilities are \$290,000 for outstanding accounts.

I have already remarked on the strength of our financial position, which should enable the corporation with no diminution of current services, to deal with problems of reconstruction and expansion.

By-law 7 (5) of the corporation enjoins that the general manager "shall submit to the Board of Governors an estimate of the receipts and expenditures of the corporation for the following fiscal year, together with his suggestions for the development of the work of the corporation, such estimate to contain a detailed statement of any financial requests to be made to the government". This has been done for the current year, and the budget has been accepted by the board. The principal new expenditure authorized is \$128,000 as the corporation's contribution to the newly instituted pension fund, which has yet to receive the authorization of the Governor in Council. Amounts have also been set aside for research and post-war contingencies. Otherwise, the budget contemplates the maintenance of our services without major new development.

A few remarks on the staff may conclude this statement. On March 31, 1943, there were 726 persons in the employment of the corporation; 472 men and 254 women. They are located across Canada from Halifax to Prince Rupert, and there are 14 with our overseas unit. 105 men are on leave of absence for services with His Majesty's forces; 10 are on duty with other services connected with the war; 12 men and 3 women have resigned to enlist in the armed forces.

Staffing problems have become quite acute. We are affected in a rather special way by war-time conditions. Radio broadcasting is a youthful enterprise and naturally has attracted many younger men to its service. Consequently, the needs of the military forces have made heavy inroads on our personnel. Sometimes it has been rather difficult to re-place them. Women have been taken on and we have also inaugurated a scheme for training younger people to fill up prospective vacancies.

I am glad to inform the committee that the people of this country are well served by the staff of the Canadian Broadcasting Corporation. They have carried on under present difficulties with cheerfulness. During the past six months I have visited most of them at work all across Canada and I am impressed both by the service they give and the spirit in which it is rendered. We have able leadership in the heads of divisions and the administration positions.

And I must not conclude without saying that I have been helped in a very special way by my colleague, Dr. Augustin Frigon, the assistant general manager.

The CHAIRMAN: Are there any questions with reference to this statement or to the previous statement made by Dr. Thomson?

Mr. COLDWELL: Have we the transcript of the previous statement?

The CHAIRMAN: Yes. No. 2 was out this morning.

Mr. COLDWELL: I have not received mine yet. I have No. 1. I was just wondering if we had No. 2.

The CHAIRMAN: It is in your box.

Mr. COLDWELL: It may be in the box, but I have not seen it. It is rather difficult to ask questions on a long statement given by the general manager without having access to the evidence and going over it first.

The CHAIRMAN: That is true.

Mr. COLDWELL: It is rather difficult to take it up if it is in our mail boxes now.

The CHAIRMAN: The difficulty is there were so many things to be printed at the bureau.

Mr. COLDWELL: Yes. I understand that the government printing bureau is very busy just now.

The CHAIRMAN: What do you say, Mr. Coldwell? Might we just decide as to whether or not we want to proceed with the questioning now, or whether we should take Dr. Frigon's statement; and then by tomorrow we will have had an opportunity of reading the printed copy of Dr. Thomson's statement and be in a better position to discuss it.

Mr. COLDWELL: I think that would be preferable.

The CHAIRMAN: What is the wish of the committee?

Mr. DIEFENBAKER: I would think the course suggested is the proper one.

Mr. BERTRAND: I think we should go on with Dr. Frigon.

Mr. COLDWELL: I think that would be preferable.

The CHAIRMAN: Very well. I will call on Dr. Frigon.

Dr. AUGUSTIN FRIGON, Assistant General Manager, Canadian Broadcasting Corporation, called:

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, Dr. Thompson has told you how our administrative set-up has been revised in recent months. We now operate under the regulations that existed up to April, 1941. Instead of reporting directly to the board, as I did last year, I now report to the general manager. I can assure you that it is a pleasure to work with a man of his frankness, broadmindedness and ability. Notwithstanding the handicap of having to operate from Ottawa, Montreal and Toronto simultaneously, I have managed to keep close to our general manager, so that this year you do not need to worry about division of authority.

General LaFlèche, Mr. René Morin and Dr. Thomson have already given you valuable information on a number of questions which come under my immediate supervision. With your permission, Mr. Chairman, I would like to submit a short statement on the French network, the engineering division and the shortwave project. This may add to the already important submissions presented at previous meetings.

It is not usually realized that we have, in respect to the French network, the same problems, the same difficulties and the same requirements as we have on the English network. Furthermore, we follow on both the same policy in everything as, for instance, in respect to the choice of speakers and to the acceptance of controversial broadcasts of any kind. In other words, there is not one policy for the English network and another one for the French network.

The C.B.C. owns and operates four stations in the Province of Quebec; one, CBM, in Montreal is devoted to the broadcast of programs for the English-speaking population of the region. It is part of the English network.

We have another station in Montreal, CBF, to serve the French-speaking population of the greatest part of the province of Quebec. This station carries mostly French programs and is the key station of our French network.

At Quebec, we have station CBV, that is part of the French network, but which also broadcasts a number of news bulletins in English. We have made

arrangements with a private station, CKCV, in Quebec City, to take care of a number of programs of the English network so as to better serve the English-speaking minority of that district.

Our station at Chicoutimi, CBJ, is the only one in the Lake St. John district. It is part of the French network and also carries news bulletins in English.

To these last three stations we add, during certain periods of the day, privately-owned stations at New Carlisle (CHNC), Rimouski (CJBR), Ste. Anne de la Pocatière (CKGB), Hull (CKCH), and occasionally Sherbrooke (CHLT). This entire group of nine stations constitute our French network.

I should explain that on that network we broadcast many musical programs announced in English.

It is also important to note that when privately-owned stations are not operating as part of our network, they are fully responsible for their programs. So far as censorship is concerned the C.B.C. has nothing to do with it. All programs must conform to the regulations made by the censorship office under the Defence of Canada Regulations.

During the last twelve months, very close relation has been maintained between the French and national networks in respect to program policy. On more than one occasion complete co-ordination has prevailed. Two outstanding examples are the series of talks by Abbé Maheux and the discussion on post-war problems. We have been successful in having Abbé Maheux broadcast on the French network: this well known historian and broadminded Canadian was able to accept an invitation to give a series of 23 talks on the French network which was entitled "Pourquoi Sommes-nous Divisés?". After full consultation with Abbé Maheux, these were arranged for the specific purpose of giving French Canada a broad interpretation of some of our most difficult national problems. They tended to prove that there are no fundamental reasons why English and French speaking citizens should be separated in thought and action towards building up Canada as a great nation. The CBC takes no responsibility for Abbé Maheux's personal views, but we are proud of having given him an opportunity to submit them to the Canadian public; we know that if properly understood they can be very helpful to any Canadian citizen interested in public affairs. These talks were indeed so effective that, after careful consideration by our general manager, Abbé Maheux was invited to repeat them in English on the national network. This was done, and we have every reason to believe they have been a great contribution to Canadian unity.

When it was decided to discuss post-war problems on the national network, it was also agreed that the same topics should be discussed on both the national and French networks simultaneously. Meetings were arranged between Mr. Inch, in charge of the organization of the national network series and Mr. Raymond Tanghe whose services were retained to do a parallel job in Quebec. The method followed on the French network was slightly different to that adopted for the English network, but the aim and purpose were the same in both cases. The series opened with an interview of representatives of a number of youth organizations who expressed their views and even their anxiety in respect to the future. It closed with a similar group of young people who gave their reaction to what they had heard from the highly qualified people who participated in those broadcasts. The population of Quebec had an opportunity to hear the opinions of highly qualified people dealing with questions of national importance, which will call for important decisions on the part of all those interested in public life, as soon as the war is over.

We are planning still more elaborate programs of that type for next season. Some of them will be devoted to labour, others to agriculture. This year's series covered too many questions to permit a close analysis of any particular problem. Next year, we intend to go a little deeper in the study of the most important topics.

We will also continue next year the very successful "Radio-Collège" and "Réveil Rural". The former, intended for all listeners who wish to increase their knowledge, has been used extensively by art courses and other institutions, even in the classroom; the latter has been of great practical help to farmers. The popularity of these two particular features can be judged by the fact that "Radio-Collège" has a mailing list of over 10,000 names of persons who have written for information on the program; the "Réveil Rural" has had at times a mail response greater in proportion than that enjoyed by similar well-known programs broadcast over national networks in the United States.

Even a superficial survey of programs carried on the Quebec region network, reveals an emphasis on the war effort and Canadian unity, which in itself is an endeavour to help Canada win the war. Not only did we ourselves produce programs intended to bring the reality of war into every home, but we carried a very great number of programs and spot announcements for various federal government organizations. The war situation, in all its forms and ramifications, was introduced into commercial programs sponsored by advertisers. I do not hesitate to say that in that sense the war effort of the French network was at least as general and important as that on the English network. Indeed we have been frequently told that our activities in that direction have been altogether exaggerated. I may add that we were very careful not to encourage on our networks the dissemination of opinions which could have a bad effect on the war activities of Canada.

One program deserves special mention, that is, "La Fiancée du Commando", a fifteen-minute broadcast three times a week. It is the story of two young French Canadian soldiers who were deliberately left behind during a commando raid and took refuge in a farm in Brittany. On meeting the farmer and his family one of them discovers that they bear his own name, and are descendants of his own ancestors. Action takes place on the farm among Bretons and German occupation Forces. It is a vivid illustration of the wonderful underground work accomplished by the unconquered "Bretons". Emphasis is given to the strong patriotic feelings of those determined French people and to the sympathy which soon develops between the young refugee soldier, and through his between the whole of Canada, and the French population. There is the usual love interest between the farmer's daughter and the young Canadian, and the villain in the play is, of course, a German officer.

Such a background may be used very effectively. For instance, on the day the American troops invaded Africa, War Information Bureau and ourselves made arrangements during the night to bring to the microphone five prominent French Canadians: Hon. Louis St. Laurent, Hon. Aréland Godbout, Hon. Ernest Bertrand, General Georges Vanier and Hon. Alphonse Fournier. At 3.20 in the morning, they spoke from Montreal, Quebec and Ottawa to the people of France through the medium of an American shortwave station. A few days later the recording of Vanier's talk was introduced in "La Fiancée du Commando". As it had been previously broadcast on the French network, our listeners had the very dramatic experience of listening to the same talk as it must have been received in French by French people listening to shortwave reception. As a matter of fact, in this particular show, those Bretons were supposed to hear of the invasion of North Africa, for the first time, through this Canadian broadcast, as relayed by the B.B.C. The dramatization was extremely effective and the acting was perfect. "La Fiancée du Commando" was conceived by our

commercial manager in Quebec, Mr. J. Arthur Dupont, and through sheer luck it was, as scheduled, broadcasted for the first time two days after the raid on Dieppe. It is now being done in English under the title "Crusader in Brittany" and inquiries have been received from Washington and American networks for its extension to the United States.

Of course we have other very popular and most useful programs such as: "Un homme et son péché", "Radio-Collège", "Mélodies oubliées", "S.V.P.", "Serenade for Strings", "Le Théâtre pour tous", "Image de la Renaissance", "Questionnaire de la jeunesse", "Collège au micro", "Heure dominicale", etc., and a great number of talks on all subjects.

On the entertainment side, we can compare favourably with any broadcasting organization, considering, of course, our relatively limited means. Some of the programs produced in French in our Quebec studios are, even if I say so myself, a credit to Canada. In certain cases, they were decidedly outstanding, and we have proven without question that when we are given the means, our staff can produce the most elaborate and the most perfect shows in any field, and to suit any taste. For instance, it may not be known to the rest of Canada that during the Victory Loan campaign we had, amongst other outstanding programs, a concert produced in co-operation with the Metropolitan Opera and in which appeared Mr. Johnson, Ezio Pinza, Wilfrid Pelletier, etc., who all spoke or sang in the French language.

This achievement was made possible, through the generosity of the director and the artists of the Metropolitan Opera Company who offered their services free. Although this program was probably one of the most striking of the year, many others were produced either with local artists or with the help of the best artists of France from the theatre and the cinema. It is to be regretted that our English-speaking compatriots cannot enjoy the excellent programs of our French network.

I should add that our French network carries quite a number of programs in the English language, and it is interesting to note that the French-speaking population of Quebec welcomes them.

Every week the French network has carried programs produced in London by the French division of our overseas unit. Almost everyone of these had something to do with Canadian armed forces in Great Britain.

Except for a certain period during which we were prevented from doing so, for reasons absolutely beyond our control, we have carried a daily news bulletin in French from the B.B.C.

Mr. Chairman, at this point I should like to say something off the record, if I may do so.

The CHAIRMAN: Very well.

(Dr. Frigon made a statement on which there was a short discussion.)

The CHAIRMAN: Getting back on the record again, will you proceed, Dr. Frigon?

The WITNESS: Continuing:

Lately this bulletin has been prepared and read by French Canadian editors and announcers engaged for that purpose by the B.B.C. Arrangements are being made to make this daily broadcast even more interesting and efficient than it has been in the past. We had the very great misfortune of losing one of our French-speaking war correspondents, Mr. Eddy Baudry, who was killed by enemy action in Africa, while on his way to the Casablanca conference. Three new war correspondents from our Montreal news office are now in England where they have joined their English colleagues. These men are part of the C.B.C. overseas unit.

Our news bulletin broadcasts are indetical to those of the English network. As a matter of fact, two English new bulletins a day and the B.B.C. news at 6.45 are carried directly on the French network in English. We have some news editors whose job it is to select and rewrite in French news released by the news agencies, but they are governed by the same regulations as our English news writers, and they are under the authority of the same chiefs news editor. Our source of information is the same as that of the national network: the Canadian Press and the British United Press exclusively.

Dr. Thomson told you of our plans to search for new talent. May I be permitted to remark that this has received our most constant attention in the past.

We have produced this year, on the French network, 29 newly-composed musical scores. This, of course, does not include musical arrangements, some of which are really new compositions, as, for instance, those of Mr. Gratton who has given us beautiful music based on French Canadian folklore.

I do not want to bore you with too many statistics, but I am sure you will be interested to know *new talent* was used last year on the French network as follows:—

27 musical composers; 40 singers; 4 choirs;

6 musical groups; 21 soloists musicians;

21 actors; 18 authors.

This means that 106 Canadians and 10 musical "units" were given the opportunity to broadcast for the first time from C.B.C. French network studios during the last twelve months. They were either selected in auditions or picked up by our staff at concerts throughout the province.

These figures do not include 66 young men who competed in an art course competition, "Nos Collèges au Micro", and 31 well known experts who participated in "S.P." our own "Information Please" program.

A number of artists from foreign lands contributed to our programs. We had the good fortune of broadcasting regularly such prominent French actors such as Rozet, Catelain, Albani, Deschamps, and others.

Of course, I refer above exclusively to our sustaining programs. Commercial programs are controlled by agencies and sponsors, and many young Canadians have been given an opportunity to work for them.

Every year an analysis is made of the list of all those who have participated in our programs. The number of times they were called and the fees they received are particularly noted. This is done in order to ascertain that opportunities are given to all. If anyone wishes to discuss this question, I shall be very pleased to do so. I know I shall have no trouble convincing him that artists fees are well distributed amongst qualified artists.

If we must encourage young artists, we must not neglect the professional singer, musician or actor who depend a good deal on us to earn at least part of their living. Further, it is often our unquestionable duty to advise the amateur not to spend time and money on a hopeless future. You can readily understand that this is not a very pleasant duty at times, and it is important that responsible persons should support us in our effort to find quality rather than quantity.

Summing up, I may say that we have continued this year to operate our network in the Quebec region in such a way as to entertain, inform and educate in a truly Canadian spirit, our listeners who speak French and who live in that region. We try to serve Canada in Quebec, as we do in other parts of the Dominion. I firmly believe that in that respect the C.B.C. is possibly the best example of Canadian unity to be found in the Country.

On pages 261 to 267 of the Minutes of Proceedings of the 1942 Parliamentary Committee, there was presented an outline of the engineering organiza-

tion of the C.B.C., the scope of its work and its wartime technical problems, together with a summary of the capital and operating cost of the plant supervised by the engineering division between the years 1938 and 1942 inclusive.

This shows that the engineering division is grouped into various departments, that is: the chief engineer's office, the plant department, the properties department, the transmission and development department, the purchasing and stores department, and the coverage statistics department. The job to be done may be divided into two great sections. First comes the operation of our ten stations with their thirteen transmitters and the nine studio centres, comprising 35 studios. This is a 16 to 18-hour a day job, 365 days a year. There are also outside broadcasts from halls and open air and three mobile units, one of them in Great Britain. We shall soon have four units over there.

To control this important operation, we have at the engineering division headquarters, specialists looking after the maintenance and design of audio frequency and radio frequency equipment, and an architectural department responsible for new construction and maintenance and design of all offices, studios and buildings. There is a small group working on measurement and antenna designs and the theoretical side of radio. All purchases, from pencils to high power tubes, are made through requisitions and handled by a purchasing department. We have also a coverage statistics department.

It is indeed fortunate that the C.B.C. has such a great wealth of experience and information as well as a qualified staff for the construction of the new shortwave centre. As a matter of fact, the experience we have had in designing the Fighting French station at Brazzaville, South Equatorial Africa, is extremely useful at the present moment.

We must recognize that besides the actual everyday operation of our transmitters and studios, and the supervision of the network, the C.B.C. is responsible for maintaining good standards in radio engineering throughout Canada. We must keep in line with modern developments. This is most important because it is likely that a number of changes in stations and network operations will be introduced once the war is over. The industry has been frozen for a couple of years and then will be the time to revamp what we presently have and to expand in new fields.

Our engineering division has, in the past, frequently helped private stations in locating their transmitters properly and have checked their studio designs. We have made extensive field surveys to determine the efficiency of their transmissions.

From April 1st, 1942, to the present, the wartime problems faced by the engineering division have, if anything become more serious. Most of the equipment required to maintain the C.B.C. plant, such as vacuum tubes, has been supplied by American manufacturers whose facilities are now largely occupied fulfilling the requirements of the armed forces of the United Nations.

The manpower situation has not improved but clarification has been given to the position of the C.B.C. by the creation, at the request of the manpower division of National Selective Service, of a Radio Advisory Committee to Selective Service and the preparation of a brief concerning the wartime problems and manpower needs of the C.B.C. to keep its plant operating efficiently. Forty men of the Engineering Division are in the armed forces or on important war duties outside of the C.B.C. To provide replacements for personnel on military service, an apprentice pool of operators has been created within the Engineering Division to which both male and female temporary staff may be appointed for training. To date five women operators have been employed at Toronto studios and one at Montreal. Through an arrangement with Selective Service Regional offices, discharged army, navy and air force personnel, if they are found to have the necessary qualifications, are referred to the C.B.C. Engineering Division for consideration as possible temporary wartime replacements.

Since April, 1942, low-power relay transmitters have been installed at North Bend, B.C., and in Cranbrook, Kimberley, Fernie and Creston in the East Kootenay district of B.C. and also at Edmundston, N.B. Additional transmitters will shortly be installed at Williams Lake, Quesnel and Prince George in B.C. and also at Sioux Lookout, Ontario. Arrangements have been completed for the extension of the C.B.C. network to Prince George, B.C. Another extension that has been made during this period to the network is from Quebec to the Abitibi district to include Rouyn, Val d'Or and Amos.

New studios were constructed at Halifax, N.S. to take care of the C.B.C.'s expanding programing activities in that area and an additional concert auditorium in the Toronto area has been established for the same reason.

To better co-ordinate war emergency problems a War Emergency Committee, made up of representatives of the major divisions in the C.B.C., was created during this period for the purpose of dealing with problems of conservation, emergency protection to plant and, in fact, all wartime emergency operating problems that are continually arising within the C.B.C. The members of this Committee have travelled from coast to coast and, as a result of their efforts, a co-ordinated plan of emergency operations for local, regional and national operation is being developed. The important thing to consider here is that even a loss from ordinary causes such as a fire at one of our principal studio points might mean serious curtailment to the C.B.C. wartime activities because such equipment is not readily replaceable to-day.

During this period the coverage survey commenced in the summer of 1941 for the Radio Branch, Department of Transport, was completed and most of the information obtained from this survey has been handed over to the Department of Transport. The survey included measurements at studio and transmitter plants, as well as measurements to determine the extent of coverage of any particular station of 1,000 watts power or greater in Canada. This survey was made necessary by the frequency changes to Canadian broadcasting stations on March 29, 1941, as a result of the North American Regional Agreements signed at Havana, December 13, 1937.

You have already been given interesting information concerning the short-wave centre which the C.B.C. has been requested to build for the government of Canada. This project has been with our Engineering Division for quite a long time. When we were requested to submit estimates, almost two years ago, we gave figures based on our knowledge and experience of such problems.

In September last Order in Council P.C. 8168 was passed approving the construction for the government of Canada of two 50 Kw. shortwave transmitting stations, together with antenna equipment, building, etc., on property adjoining the C.B.C. transmitter site at Sackville, N.B., all as recommended by the C.B.C. to the government. Immediately upon obtaining approval to proceed with this important undertaking the C.B.C. Engineering Division prepared a brief required by the Department of Munitions and Supply and Priorities Division in Ottawa and Washington for the obtaining of all critical materials such as copper, steel, transmitter parts, etc. After some friendly discussion of the problem, we were given proper clearance on all materials to be obtained in Canada. We then sent a request, through the Priorities Branch, to the War Production Board of United States. Long discussions followed and many changes had to be made to our plans in order to facilitate the production of equipment. For instance, insulators will be manufactured in Canada with materials released by United States.

A little over a month ago, we were greatly pleased to receive official notification that proper priorities for all equipment to be purchased in the United States, including the two transmitters, were granted to us. As a matter of fact, we were given the highest possible treatment next to equipment to be actually used within combat areas. Because we anticipated this result, and as

a measure of protection, we have actually ordered the two transmitters some months ago, and under present manufacturing conditions, we were told that the Supply Company will start actual construction in a few weeks. For all these negotiations which started last September in Canada and last December with United States authorities, we have received the most sympathetic support from all concerned. It was indeed very pleasant and encouraging to find that all high officials we consulted in United States received our application almost with enthusiasm. The Office of War Information, the Federal Communications Commission, the Signal Corps, the Office of Strategic Services, the State's department, the Navy department and many others, all agreed that Canada could play a very important part in the radio war and contribute immensely to the satisfactory solution of after war problems. We were fully supported in our efforts by the Department of External Affairs in Ottawa and the officials of the Canadian Legation in Washington. I had occasion to pass through Washington and Philadelphia some three weeks ago, and again I was assured of the fullest co-operation of all concerned in helping us to secure the required material in due time.

Our engineers have been working overtime for many weeks in preparing final plans and specifications. These went out on June 7th to a number of contractors who had expressed their desire to bid on the building contract, and tenders will be opened on Monday, June 21. When this is done, the same procedure will be followed in respect to the construction of acrials and other parts of the project.

There are still great difficulties ahead, because notwithstanding the priorities we have obtained in United States, we know very well that there is not enough equipment to satisfy all orders which have been authorized. Furthermore, Sackville is not a very large centre and lodging of the construction staff will be quite a problem. At any rate, we shall proceed as quickly as possible, and if there is no undue delay, we should be prepared to start broadcasting late in the Summer of 1944.

When the centre is completed, it will be possible to broadcast in six different directions and to have two programs going out simultaneously in different directions, or one program on two different frequencies in one direction. Even at that, it will be a very modest centre as compared to that of the B.B.C. and others. However, it should serve the purpose quite satisfactorily.

As Dr. Thomson has already stated, measures have already been taken in respect to the policy and the type of programs to be broadcast. These will originate mostly in Montreal and Toronto and permanent transmission lines will connect these two centres with Sackville. Of course, it will also be possible to broadcast from Ottawa or from any other part of Canada, but for reasons of economy, facilities and efficiency, activities will have to be concentrated in Montreal and Toronto.

I expect the engineering division will be very busy during the next few years.

It has not been possible to tell you all I would like you to know on that part of the C.B.C. activities with which I am more directly connected, but I shall complete my remarks, if you so desire, by answering any question you may wish to ask.

The CHAIRMAN: Are there any questions or observations with respect to this submission?

By Mr. Coldwell:

Q. I take it that you have complete coverage now by the French network in the province of Quebec?—A. Not quite complete, no; there are some spots north of the St. Lawrence and in the northern part of the province, and quite a number of areas which are not properly covered.

Q. Have you any plans to give that complete coverage?—A. Well, we have plans; in other words, we know what to do, and I may say that it is an extremely expensive job.

Q. What size of population would not be covered by the network?—A. A very small percentage.

Q. A very small percentage?—A. Oh yes, because although areas are great, the population is scattered.

Q. I see, just a scattered population?—A. Well, we cover for instance the north St. Lawrence district across from Rimouski. Further down the river they have some service but not what we would call satisfactory. The number of persons not supplied represents a very small proportion of the population.

Q. That is what I was thinking of, sparse population; of course, one would not expect such good coverage over such a large area as is comprised in the northern part of that province.—A. Take for instance that new district up around Val d'Or and Rouyn; some of that is covered very well but we do not go into all hinterland places. There are quite a few people living scattered around through the country who do not have what we consider a satisfactory service, but on the whole it is not too bad.

By Mr. Bertrand:

Q. What is the situation in the Lake St. John district and in the northern part there?—A. We cover the lower part of the Lake St. John region very satisfactorily, and I think they get quite appreciable coverage from CBF in Montreal.

By Hon. Mr. LaFlèche:

Q. And there is a station down there, is there not?—A. Yes, it covers the lower part of the Lake St. John region and the upper part of the Saguenay.

By Mr. Bertrand:

Q. What about the Mistassini district?—A. They get service—if you go up there you will find radios in the homes and they listen to programs. The matter of coverage is an extremely involved question and one which we can only consider from the standpoint of engineering factors.

Q. I notice that in your statement that in referring to these French programs in the province of Quebec you have specified that special care was to be taken to give to the English minority a service from five different stations out of the nine operating; would you care to tell us what is being done to take care of the English population outside of Quebec City?—A. I think it is more in Dr. Thomson's field than mine to answer that; but I might say that we give recordings of our French programs our CBK station.

Q. Might I ask, are you receiving many complaints from our French compatriots outside of the province of Quebec in so far as service is concerned?—A. We have complaints from our French friends in the west and from our English friends in Quebec—from the minorities who do not get the fullest service possible.

Q. As between fullest and reasonable service, would you care to say something on that?—A. I think Dr. Thomson is the man to cover that.

By Mrs. Casselman:

Q. I was going to ask this, Mr. Chairman; if shortwave is to carry programs to Latin America and to Europe, what countries would the shortwave, when we get it, carry programs to?—A. There will be an aerial by which we will send programs to Great Britain and France and in that direction generally, and there will be another aerial directed to South America; and there will be the reverse of the two.

Q. We would have no means of say reaching Australia with the programs?—

A. Oh yes, by another aerial directed toward that part of the world.

Q. Well then, we shall cover from Canada—A. With that station we will be able to send shortwave programs all over the world.

Q. All over the world?—A. Yes.

Q. Will that include Asiatic Russia and China?—A. Well, you can listen to programs from Italy on your radio but you cannot consider that they are 100 per cent efficient because shortwave does not act that way.

Mr. BOUCHER: They are too good.

The WITNESS: As I have said, the matter of coverage is not one of those things that can be discussed with great satisfaction unless you use strictly engineering standards and you have a basis on which to compare notes. When you come to discuss between individuals one man may say that he gets perfect reception from some distant country because he enjoyed good reception on certain days while his nextdoor neighbour may not be able to get the same station at all and naturally he will maintain that the same country can not be heard at all.

By Mr. Hanson (Skeena):

Q. There is a question I would like to ask with respect to this question of coverage, Mr. Chairman: Sometime ago I was asked to get some information as to the coverage in northern and central British Columbia. I tried to get that through the office of the Minister and I must say that I did not get a very satisfactory answer. And now, Dr. Frigon has outlined what is to be done in British Columbia and the situation in Ontario and other places; what is going to be done with respect to the area up around Prince George which is seven hundred miles to the west and there hundred miles north from Vancouver and it is a district in which there is very poor reception at the present time and there are thousands and thousands of people listening in in that area. I would like you to make a statement to us on that situation and to give us whatever information you can as to the position as it exists there at the present time and what you intend to do. Is it something secret that we cannot have? At the least, I would like to have a better answer than was given to the question when directed to the office of the Minister.—A. The first answer is that British Columbia (that is, the mountainous part of it) is the toughest territory to cover with broadcasting. It is mountainous country and the conductivity is extremely low and transmission in such areas does not carry very far. We have tried up to this moment to cover the centers of populations. We think the situation there will be much improved within the next few weeks when we finish the work we are doing at the present time.

Q. Oh, it will, will it?—A. If you attempt to go in everywhere in British Columbia, you would get into very serious technical difficulties and some very, very high costs. Radio is a wonderful thing but it is not perfect. In those difficult parts of the country, instead of having one station trying to reach everybody we are installing low-power repeater stations—that is, low-power transmitters connected to lines which go through the district, to broadcast anything that is carried on the wire. It is not a local station, in the sense that you cannot use it to broadcast from the point outside. But these small repeaters will give service to the population concentrated at Prince George, Williams lake, Revelstoke, Edmundston and other places.

Q. That is in the south. It is 1,000 miles away. But will that relay station, which you have mentioned at Prince George, serve that northern country? There are at present over 30,000 people in there at Prince George, and probably more.—A. It will only reach the few people who live in Prince George, say within a ten-mile radius or even less.

Q. Is it the intention of the corporation to extend the ground line west of Prince George along the Canadian National Railway to the coast?—A. That has been discussed. I do not know what the intention of the board is on that. I could not tell you. I know we operate a station in Prince Rupert now.

Q. Would you care to give us, from your understanding, what the position is and what interest you have in it?—A. If you go from Prince George to Prince Rupert, you must have lines between the two points. At each end you have a small station. The points in between are not served properly. You may have other stations at each of these points, and then between the points you have scattered population in the mountains which get little.

Q. About 30,000 people at the present time?—A. To cover that population will be extremely costly.

By Mr. Coldwell:

Q. Would shortwave help at all in those circumstances?—A. Yes. That is why we have at Vancouver a shortwave transmitter which attempts to give some service inland.

Q. Yes.—A. It may give good service at a point 300 miles from Vancouver and not reach a point 200 miles away. It may go 600 miles farther and not in between.

Q. The shortwave is better than the standard band for that type of country, is it not?—A. Well, shortwave permits transmission over long distances with small power.

By Mr. Hanson (Skeena):

Q. We appreciate the improvement that has been made at Prince Rupert. But those in the interior of British Columbia can get Ketchikan better than they can get Prince Rupert.—A. That is quite possible.

Q. Yet it is 100 miles farther away.—A. That is one of the features of shortwave. Shortwave is a very capricious thing.

Q. I wish that the same consideration as was given to Prince Rupert would be given to the northern territory, because the population is increasing. As I say, there are probably 30,000 people there at the present time, and there is very, very poor reception.

By Mr. Hansell:

Q. May I ask a question with regard to the type of transmitter, Dr. Frigon, which you just mentioned was used for the purpose of repeats. Are they of the kind that are installed in the southern part of British Columbia? You mentioned Cranbrook and Kimberley.—A. Yes.

Q. Those places are not very far apart; it is only about 10 miles from Kimberley to Cranbrook, I believe. What would one of those transmitters cost?—A. Each one?

Q. Yes.—A. I do not think you could get them now; but when we bought them, we had fourteen made for us and they cost us some \$1,000 apiece.

Q. Would the installing of those fulfil the purpose that Mr. Hanson has in mind?—A. Not the way I understand it; because it would serve a purpose locally, with a small concentrated population, but it would not go inland where the population is scattered.

Q. I understand that. I do not fancy that, in the territory Mr. Hanson was referring to, there is much farming, or is there? Is it just little communities?

MR. HANSON: No. There has been quite a lot of farming these last few years. There are approximately 30,000 people in there.

Mr. BOUCHER: But over what area?

Mr. HANSON: From Prince George north and west to Prince Rupert. It is 560 miles from Prince George to Prince Rupert, and of course up to the Queen Charlotte islands it is another 100 miles.

Mr. BOUCHER: Even if there were 30,000 people, they are pretty well in scattered communities.

Mr. HANSON: Yes. Of course, there is an area of 600 miles east and west and probably 400 miles north and south.

The WITNESS: In those places that are away from big centres they are satisfied with weaker signals. We had men all over that territory to investigate and take measurements, and up along the Cariboo trail they found receivers which were used under conditions which would be very difficult in cities. They used very, very weak signals and they sat near the loud speaker to hear them. Then they can receive signals at lower strength than in cities because they have no local interference. In a city like Toronto or Montreal, we may need a signal of a strength of say 25 millivolts while up there a fraction of a millivolt will suffice.

By Mr. Tripp:

Q. We hear rumours of invention that are being made in radio to-day. Do you know of any that are actually made that might be revolutionary in character? I mean to say, will they require new receiving sets after the war is over, and things like that?—A. I believe that even the new systems which we had before the war, and which have been developed since, will come into practice after the war. I refer to the frequency modulation system of transmission, which has its technical characteristics. Of course, you cannot tell, but it may revolutionize, at least partly, network operation and broadcasting generally. That will be done over a period of years, of course, but it is decidedly in the air. Anybody connected with radio on the North American continent is now just accumulating data and documents to be ready in proper time. Radio broadcasting is still in a poor condition due to the overcrowding of stations, mutual interference and so on. Anything that can be done after the war to take care of that will probably be done. You can probably figure on the United States doing it on a large scale. But these are only possibilities now which new radio engineers and operators of large networks believe will be turned into realities after the war.

Q. Are there some that you actually feel you will be putting into operation after the war?—A. Oh, undoubtedly.

Q. Any, for instance, that are better than what we now have, and that will necessitate having new receiving sets and things like that?—A. There is no question about it. That there will be introduction of frequency modulation is certain; and that means that you will, in time, have the old sets replaced by other sets which will have that feature, or the old sets provided with adapters, with additional equipment, to permit you to use the old type of receiver on frequency modulation.

By Mr. Isnor:

Q. Where will the greatest changes take place? Will they be in the broadcasting equipment or in the receiving sets?—A. In both.

Q. In both?—A. Yes; and possibly in network operation.

Q. I have in mind a book called "Looking Backward", written in 1885 or 1887 in which the writer Edward Bellamy forecasts such things as we now term radio or broadcasting, in which all things go out from the one station, instead of several stations sending out different programs. Do you think that is possible in the near future?—A. I do not think there is anything just in that way now.

Q. You mentioned the overcrowding of broadcasting stations. That is what I had in mind when I asked you that?—A. That probably will be solved by permitting the use of more stations.

Q. I have another matter I should like to ask about. I see included in your list headed "name of licensee and address of main studio", those having a licence to broadcast. I know in Halifax there is the Maritime Broadcasting Company which has a frequency of 960 and another of 6130. That means that this particular company has two licences?—A. Well, they have one licence for a broadcasting station and a licence for operating a shortwave broadcasting station. That is an old situation. That existed before the C.B.C. It is to allow the local station to broadcast over a wider territory. I do not think it gives anything like an important service.

Q. Which?—A. The service in Halifax is done on the standard band of frequency.

Q. The same thing applies to Sydney, Nova Scotia?—A. The same thing.

By Mr. Hansell:

Q. Referring back to Mr. Tripp's question, I notice that Dr. Thomson in his submission suggested that the war had brought a—I believe he used the term—complete transformation in radio. Would that apply to the technical equipment or otherwise?—A. Technical equipment.

Q. I think that is perhaps what Mr. Tripp had in mind?—A. Well, many systems which existed before the war have been developed and perfected during the war; others have been invented. We do not know much about these new things. As I said before, even if we only use what was done before the war, it will mean a change. You have facsimile, television, frequency modulation. The use of these things methodically and efficiently is enough to bring about a big change in the practice of network operation.

Q. May I ask another question in that connection? Does the C.B.C. itself have any research bureau or anything of that kind for the development of these new fields, or is that confined to our own National Research Bureau?—A. Our research is extremely limited. It is more concerned with the testing of new equipment or building new equipment for our own purposes.

Q. The reason I asked that question is this, and I must say that I am much concerned about it. It does seem that large private corporations—not particularly broadcasting corporations, but electrical corporations such as the General Electric—have their laboratories. They make these discoveries. They eventually come out with some type of television, and the whole development of the science is left to some of these private corporations, when they are able to make a few million dollars on it. It does seem to me that Canada is a nation. Why should we be backward in any of the arts or sciences? Here we have a large corporation, well financed, shall I say. Why should we be behind in that sort of thing? Why can we not lead the way more than we do? What would be your impression along that line? It seems to me we are dependant upon private corporations for the development of these things, and they develop them purely on a commercial basis where the dollar speaks.—A. I think the answer there is just one word, "money". These big corporations spend millions of dollars in those researches; and we cannot afford that.

Q. Yes. They do so because they recognize that if they can bring about something they are going to make a few million more. We will have to find a way to afford it, I guess.

Hon. Mr. LAFLECHE: I know Mr. Hansell's question is an extremely interesting one. But are there not certain realities which have intervened within the last four years, and even a little bit before? To my own knowledge, National

Research, which has been mentioned, has been deeply engaged in that work; I emphasize that it has been deeply engaged in that, although I do not say that it has been directly and solely for the C.B.C. But I know I have seen them busy, in their committees, and know they have considered this problem. There is another thing. Suppose you did want to start up something like that. Could you get the trained personnel at the moment?

The WITNESS: We could not at the present moment. I was going to add that we do co-operate very closely with the Research Council. They do work for us and we do work for them. Some of our best men are working for them on very important technical developments in the war system.

Hon. Mr. LaFLECHE: I have seen them do some marvellous things down there, but they will not tell about it until the war is over.

Mr. BOUCHER: The purport of Mr. Hansell's question is simply a request to you as to whether you feel advisable to have the C.B.C. set up its own research bureau on radio matters or not. Is that really not the sum total of his question?

Mr. HANSELL: My position is that Canada is a nation, and Canada as a nation is worth something in the world. Let us not be backward. I quite understand the minister's position and I know that the exigencies of war upset everything. But nevertheless, can we not ask Canada—our National Research Bureau, of course, as well as the C.B.C., working one with another—to take the lead in some of these things? Technical skill has been mentioned. Surely in our universities we are training men with certain technical genius. If this war produced anything—and as Dr. Thomson says, it has produced a complete transformation in radio; it is strange that we have got to have a war to do these things—let us seize the opportunity and make Canada a leading nation in the matter of scientific research. That is my position. Of course, we cannot put all that burden on the C.B.C.. We know we cannot do that.

By Mr. Tripp:

Q. Dr. Frigon, in answer to Mr. Hanson's question you made a statement that money was the whole thing. I rather doubt if that is the complete answer, because we have examples of individuals making discoveries. For instance, McCormack discovered the reaper; Bell the telephone. Large corporations, did not invent those things. It was an individual. The Research Council out here might have some well-qualified and educated boys and men trying to discover things, but some other person might strike on something as an individual. I do not think that money can control or can invent all these things. I think most of our large inventions have come from individual research.—A. The research is mostly that part which comes after the invention. Bell invented the telephone, but millions and millions of dollars have been spent in perfecting the telephone. That is the research part of it. They are still at it. The Bell Telephone Laboratories in New York spend huge sums of money in perfecting these things. The original idea was the thought that came into the mind of one man, but the research part is to develop it, to make it a practical thing, an efficient thing. I have been on the Research Council myself for seventeen years, as a member of the council; and I will say that is the place where everything should concentrate. I would say that we co-operate with them. When I said "money", I meant on our own part. Even if we wanted to, we could not think of organizing a research department because we have not got the money. It is a very expensive thing. Then there is another thing. Research is far better carried on in a place where they have facilities of all sorts, which means extensive laboratories, means for making measurements, all sorts of equipment, a whole staff of physicists, chemists and all that. What we do in our own shops, in our own particular division, is to learn about things. For instance, before the war we had planned to instal on Mount Royal a frequency modulation transmitter which we would have used to

experiment with this sort of transmission in order to indicate to the broadcasting industry what can be done. That is our part of the job. We did some work a few months ago in our shops for the army in respect to tanks, with regard to some little problem they wanted to know about. We did that for them because we had the staff and facilities to do it. But the bulk of the research in Canada, in my estimation, should be, especially in our case, done in conjunction with the Research Council.

Q. That is, you give them the requirements and let them develop it. Is that the idea?—A. We either ask them to do something for us or we send our own men to work with them. When the C.B.C. took over in 1936, they were just through doing a piece of research on the efficiency of radio receivers in Canada. That was done at the request of the old commission. The best man on our staff is now with them, on the design of a very special circuit used in the war. He is our man; he will come back to us, I hope, after the war. If we have a specific problem we may send them back to the Research Council to work it out with them for us. You cannot do research on any large scale unless you have the facilities. Universities do it because they have a whole string of laboratories, testing materials, physics apparatus, chemicals and all those things. They can bring their problems to any of those laboratories and find an answer. We have not got that. In other words, we can do those things much more efficiently by using the Research Council, and much more cheaply than we can do it ourselves. The big companies in the United States have huge places, much larger than our own Research Council, which is the centre for all Canada. They spend millions every year.

By Mrs. Casselman:

Q. Do you ever send any of your men to the States?—A. Yes.

Q. That is done too?—A. Oh, yes. Our men go down there, to check on things which we know have been brought out.

Q. That has been developed?—A. Yes.

By Mr. Tripp:

Q. The question still arises whether it is cheaper to develop these things yourself or buy the finished product from some person who has developed it.—A. I do not think we would ever have the facilities to develop these new ideas on a production basis, which is the problem, after all. We designed a microphone and control circuits for the royal visit. We have done these things frequently, which are in a sense research. Then we had to have these things done in practice and built. Take these little repeaters out west. They were designed in our own place. They were tested by us. One was made, first by an equipment company. It was taken over by us, taken apart, so to speak, and put back together and finally we said to the manufacturers, "This is what we want for our purpose."

Q. Because they were equipped to build it.

By Mr. Hansell:

Q. You mentioned programs and talent. I do not know whether this comes under your department or not. But in the matter of talent writing programs, plays and the like, do you have your own staff?—A. No. We retain the services of writers.

Hon. Mr. LAFLECHE: You have program managers.

The WITNESS: Oh, yes. Our staff will occasionally write some scripts, but the bulk of such work is done by outside specialists.

By Mr. Hansell:

Q. I was wondering what steps have been taken, if any—perhaps you do not consider this to be your particular responsibility—with a view to encourag-

ing authors throughout the country to write material for broadcasting.—A. Well, I should like to confine myself to the French network, and I would answer that in this way.

Q. Perhaps we will be hearing some one else later on that. We will reserve that. Never mind.—A. I should like to add, if I am permitted to do so, that we are constantly in search of new talent. The difficulty is to find the person who will write a required story properly, for the purpose we have in mind. We have writers who cannot write radio scripts. We have others who can write radio scripts but they are so busy that you cannot have them when wanted. We have others who are specialists in certain lines. The difficulty is to find a person to do the job when the job has to be done, in the way you want it to be done.

By Mrs. Casselman:

Q. Are scripts submitted by individuals and examined by you?—A. Many of them; not by me personally.

Q. I mean, by your staff.—A. Yes. Sometimes they come to my desk also; many of them.

Q. That is, it would be open to the young author to submit a script?—A. As I said before, only this year, in the last twelve months, on the French network only, we have used scripts from eighteen new authors. We have produced twenty-nine new musical scores. We have put on the air twenty-one new musicians—I mean, people who had not broadcast before at all. They were given a chance to go on the air. We are constantly doing that.

By Mr. Hansell:

Q. I am not a radio fiend who sits by his radio all day long, but there are programs to which I do listen, and I have in mind the Bible programs on Sunday mornings. Some of them are exceptionally well written; I have not taken notice of the others. I want to compliment the C.B.C. on some of these; they are exceptionally well written and exceptionally well dramatized. Some of them are not in that category. I can notice quite a distinction in some. But some are exceptionally well written and dramatized; if they are written in Canada it shows that we have some genius somewhere in this nation.—A. In this search for new talent, as I said in my brief, one of the difficulties is to find young people who are really qualified for nation-wide radio. For instance, you may have a pianist who is a star in Brownsville but would just be a pain in the neck in Winnipeg.

Mr. TRIPP: And I suppose you might also reverse that statement.

By Mrs. Casselman:

Q. I suppose that would be an argument for using them on local broadcasting stations rather than have them on the whole network.—A. That is exactly the case. This talent should be used on stations with limited coverage; it should be used locally.

By Mr. Tripp:

Q. Are there any restrictions placed upon the company in the use of artists, orchestras or musical talent or anything like that?—A. I think Dr. Thomson will answer that question.

Hon. Mr. LAFLECHE: I suppose it is money difficulties again.

By the Chairman:

Q. To what extent, Dr. Frigon, is radio used in the educational institutions in Quebec.—A. In Quebec we have followed a different method than we have in other parts of Canada. Instead of arranging with educational authorities for

school broadcasts, we have broadcast what we thought would be the best programs of high school or art course level, produced for the public at large, but at periods of the day when they can be used by the schools. As a result of our effort to make these good technically, the schools themselves, of their own volition, have decided to use them. Last year, for instance, more than 60 per cent of the educational institutions who could make use of these broadcasts did make use of them. It is not compulsory. It is not even officially recognized. These broadcasts—and I refer especially to Radio Collège in the afternoon—are meant for the schools but are designed and produced by us. They are not school broadcasts in the real sense of the word, because in that case you must have a direct relationship between your broadcasts and the school curriculum; they are just lectures, all illustrated in some way, either in the printed word or by radio programs. They are lectures which are within the capacity of people of art-course standing and yet are not actually part of the program of the school. We have been extremely successful with that. If any one is interested, I should like to give you more details, because this has been probably our outstanding success in Quebec.

HON. MR. LAFLECHE: Before we reach the hour of adjournment, may I go back to the question raised by Mr. Hanson, namely Prince Rupert. I had thought that the situation had been much bettered there. Perhaps Dr. Frigon might care to tell us of the changes he did make.

MR. HANSON: That is the question I asked Dr. Frigon, namely to state what the situation was at Prince Rupert and what the department or the corporation had in mind to cover that northern central district. I should like to have that. Something has been done, but still the coverage is not there.

THE WITNESS: I will tell you what has been done in the past. We have a station under a lease agreement, and we produce programs on the station with our own staff and through recordings.

By Hon. Mr. LaFleche:

Q. May I ask a question at this point? Is that what you have done recently, Dr. Frigon?—A. Yes, in the last six months; and it is still going on.

HON. MR. LAFLECHE: I thought, Mr. Chairman, that had improved the situation very much. But I hear this morning that there may still be dissatisfaction expressed. I thought that had been settled.

THE WITNESS: Information we have from Prince Rupert is to the effect that the people really have satisfactory radio service now and they are quite pleased. As to the future, I think Dr. Thomson should cover that point. He has been in touch with the problem constantly, and I can only speak from the operation point of view and the technical point of view.

THE CHAIRMAN: Well, I think that will end our discussion for this morning. Thank you very much, Dr. Frigon.

Is it the wish of the committee that this financial report, as presented by Dr. Thomson, be printed as an appendix?

Some Hon. Members: Yes.

THE CHAIRMAN: Then we will see that it is done. (See Appendix No. 1 in this day's minutes of evidence.) Our next meeting is scheduled for to-morrow morning at 11 o'clock in this same room. We will then proceed with questions and observations with reference to the general manager's report. I would ask that the members read very carefully the presentation which Dr. Thomson has made and be in a position to discuss his report. If there is no further business, we shall adjourn until 11 o'clock to-morrow morning.

The committee adjourned at 12.55 p.m. to meet again on Friday, June 18, at 11 o'clock a.m.

APPENDIX No. 1

CANADIAN BROADCASTING CORPORATION

FINANCIAL REPORT OF THE GENERAL MANAGER TO THE BOARD OF GOVERNORS
COMPARATIVE BALANCE SHEET

		ASSETS			
Current		1940	1941	1942	1943
Cash in bank and on hand		\$ 456,558.35	\$ 760,786.07	\$ 320,260.05	\$ 205,114.48
Accounts receivable		198,888.31	275,539.22	345,248.28	354,168.29
Balance of licence fees		31,605.28	59,152.10	75,331.92	231,690.24
Investments		506,722.23	.....	497,500.00	497,500.00
Fixed					
Real estate, buildings, equipment, studios, office furniture, etc. . .		1,380,558.03	1,302,506.40	1,090,105.02	798,118.06
Preliminary expenses—International short wave .....		.....	.....	.....	4,070.41
Deferred assets		40,486.77	55,009.02	150,073.18	158,762.31
Total		\$2,614,818.97	\$2,452,992.81	\$2,478,518.45	\$2,249,423.79
		LIABILITIES			
Current					
Accounts payable		\$ 221,823.24	\$ 240,252.76	\$ 249,217.67	\$ 289,189.81
Loans for capital works		1,150,000.00	786,159.40	503,398.77	.....
Dominion Government—International short wave .....		.....	.....	.....	4,070.41
Reserve for renewals, etc.		400,000.00	400,000.00	400,000.00	400,000.00
Capital surplus		494,377.16	494,377.16	494,377.16	494,377.16
Operating surplus carried from previous year		94,628.42	348,618.57	532,203.49	831,524.85
Operating surplus		253,990.15	183,584.92	299,321.36	230,261.56
Total		\$2,614,818.97	\$2,452,992.81	\$2,478,518.45	\$2,249,423.79

(Signed) HARRY BALDWIN, C.A.

Treasurer.

OTTAWA, ONTARIO,
15th June, 1943.

CANADIAN BROADCASTING CORPORATION

FINANCIAL REPORT OF THE GENERAL MANAGER TO THE BOARD OF GOVERNORS
COMPARATIVE INCOME AND EXPENDITURES

		INCOME			
		1940	1941	1942	1943
Licence fees		\$2,906,605.28	\$3,140,259.79	\$3,485,331.92	\$3,701,690.24
Commercial		700,867.92	895,066.39	1,019,654.14	1,204,644.72
Subsidiary hookups		72,653.97	44,647.60	38,010.17	38,908.36
Miscellaneous		24,485.34	12,820.80	19,043.90	25,026.27
Grant (Royal visit)		47,449.38	.....	.....	.....
Total		\$3,752,061.89	\$4,092,794.58	\$4,562,040.13	\$4,970,269.59
		EXPENDITURES			
		1940	1941	1942	1943
Programs		\$1,540,658.37	\$1,721,755.65	\$2,074,469.19	\$2,329,648.94
Station network		685,308.68	725,969.74	742,123.44	777,307.60
Engineering		610,482.14	746,154.01	707,080.10	809,610.41
General and administration		162,939.72	179,120.43	165,753.61	207,890.64
Press and information		63,539.56	60,669.11	65,069.66	89,982.75
Interest on loans		23,837.13	32,071.01	24,501.99	12,307.06
Commercial		108,119.99	97,805.11	94,139.42	102,015.80
Depreciation		316,274.34	364,580.10	389,581.36	411,244.83
Less inventory of expendable stores.		\$ 13,088.19	\$ 18,915.50	.....	.....
Total		\$3,498,071.74	\$3,909,209.66	\$4,262,718.77	\$4,740,008.03
Surplus		\$ 253,990.15	\$ 183,584.92	\$ 299,321.36	\$ 230,261.56
Grand total		\$3,752,061.89	\$4,092,794.58	\$4,562,040.13	\$4,970,269.59

(Signed) HARRY BALDWIN, C.A.

Treasurer.

OTTAWA, ONTARIO,
15th June, 1943.

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SESSION 1943

HOUSE OF COMMONS

(SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

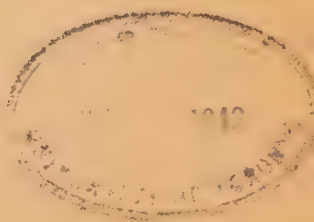
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FRIDAY, JUNE 18, 1943

WITNESS:

Dr. James S. Thomson, General Manager of the Canadian
Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



MINUTES OF PROCEEDINGS

FRIDAY, June 18, 1943.

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. J. J. McCann, the chairman, presided.

Members present: Bertrand (*Prescott*), Boucher, Coldwell, Fournier (*Maison-neuve-Rosemont*), Hansell, Hanson (*Skeena*), Isnor, LaFlèche, McCann, Telford, and Tripp—11.

The Chairman called the attention of the members of the committee to a correction to Appendix No. 2 on page 56 of the Minutes of Proceedings and Evidence of Friday, June 11, 1943. Dr. René Morin was re-appointed on November 2, 1942, as Chairman of the Board of Governors, the appointment expiring on November 2, 1945.

Dr. James S. Thomson was recalled and examined.

Witness was assisted by the assistant general manager, Dr. Frigon, and Mr. W. H. Brodie, supervisor of broadcast language.

Dr. Thomson quoted from and tabled a pamphlet, being the C.B.C. Statement of Policy with respect to Controversial Broadcasting as amended to date. Copies were distributed.

Reference was made to a list of members of parliament who spoke over the C.B.C. network during 1942. This list has been tabled in the house as an order for return.

Witness was retired.

Because the Empire Parliamentary Association is having meetings in Ottawa next week, the committee decided not to meet.

The committee adjourned at 1.00 o'clock, to meet again at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 18, 1943.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Before we proceed with the business of the meeting, I should like to draw attention to a correction, for the sake of the record, in appendix No. 2 in the Minutes of Proceedings and Evidence, No. 2, page 56.

Opposite the name of Mr. René Morin, there should be a further entry in the third and fourth columns. He was re-appointed on November 2, 1942, and the date of expiry of his office is the 2nd of November, 1945.

This morning I think we proposed to review the statement which had been made by Dr. Thomson, the general manager. The meeting is now open for observations or questions.

Dr. JAMES S. THOMSON, General Manager, Canadian Broadcasting Corporation, recalled.

By Mr. Coldwell:

Q. How many regular news commentators are there on the C.B.C.?—A. You mean weekly commentators?

Q. Yes.—A. We have a nightly commentary on the news which is broadcast from 8.00 to 8.05 p.m., E.D.T., from Toronto. We have two speakers who share this duty between them: Mr. Wilson Woodside and Mr. Grattan O'Leary. Then, owing to the difference in the time zones, particularly with reference to the Mountain and Pacific zones, we also have one other on our staff, Mr. Elmore Philpott, from 1.10 to 1.15 a.m., E.D.T.; that is, of course, 10.00 to 10.15 p.m., Pacific daylight time, when he speaks from Vancouver. Then for what we call Weekend Review, we have a panel made up of the following speakers whom we rotate: Messrs. Percy Philip, G. V. Ferguson, Dr. H. L. Stewart, Watson Thompson and Elmore Philpott.

Q. They are still doing that, all of them?—A. Yes. They are still on that assignment.

By Mr. Bertrand:

Q. Are there no French commentators at all?—A. Yes. I should have mentioned that. I am sorry that I did not.

Q. I thought it would be necessary for the record.—A. Certainly. We have a daily French commentary on the news given by Major Rene Garneau which comes from Montreal each evening at 6.30 p.m. There is no regular weekend review. However, we have had a weekly series of news commentators with different speakers, including R. A. Benoit, Abbe Beaudin and Jean Louis Gagnon, who have given a series on "America at War", "India at War" and such topics. Mr. Benoit is now on regularly giving a weekly commentary, and Mr. Gagnon is also.

Q. Is he regular now?—A. Three times a week.

Mr. COLDWELL: I think these commentaries are good, because they express a variety of viewpoints. They have not the same viewpoints by any means. One disagrees with them occasionally; but I think on the whole it is a very good job that they do on Sunday evenings.

Mr. BERTRAND: Their presentation is a worthy effort.

By Mr. Isnor:

Q. For a while, Dr. Stewart was not regular, was he?—A. As I explained, we rotate them.

Q. Yes. I understand.—A. It is a very arduous duty to ask any man to undertake that very great responsibility, to maintain features of this kind; and also, for the sake of what Mr. Coldwell has alluded to, namely variety, we endeavour to vary the speakers, from time to time, so they are on what you might call a rotating panel.

Q. I quite appreciate that. What I had in mind was that we did not, for some considerable period, hear Dr. Stewart at all.—A. He is coming back.

Q. You say he is coming back?—A. Yes.

Q. That is what I wanted to know. Thank you.

By Mr. Coldwell:

Q. Of course, you get some criticisms of these commentators.—A. Yes. That is inevitable.

Q. I am glad that the management does not always listen to the criticisms. I have sometimes felt like criticizing some of the things they said, but I have always felt this way about it. This is a country where we have all kinds of viewpoints and they should be expressed, even when one disagrees with them. I am glad to see that they are being continued. You pay them for this, do you?—A. Yes. They are paid.

Q. What remuneration do they get?—A. The fee per week to Mr. Woodside, who takes the heavier end of the nightly commentary, is \$50. Mr. Grattan O'Leary is paid \$15 per broadcast. Mr. Philpott gets a weekly fee of \$35 for his contribution in respect of his daily broadcast. Then at the weekend, each speaker receives \$25 per broadcast. If I may say so, Mr. Chairman, in consideration of the amount of work that any man must put into such work—and I speak with feeling because I did a weekly series myself and sweated a great deal over it—I think it is a beggarly remuneration.

Q. Yes. I would agree with that. I have done it for nothing.

An Hon. MEMBER: And still have been criticized.

By Hon. Mr. LaFlèche:

Q. Mr. Chairman, may I make one comparison? I think Dr. Thomson has the information. May I ask what the B.B.C. pays those who speak over the air there? I understand it is so much per minute. I think it is a guinea a minute.—A. I have not that information, but I had that on one occasion.

Mr. COLDWELL: I was offered that too.

The WITNESS: I know that on one occasion I did receive that remuneration when I spoke over the B.B.C.

Hon. Mr. LAFLECHE: It is either a guinea or a pound, I understand.

Mr. COLDWELL: Yes; it is a guinea. I was offered that when I was over there. Unfortunately I could not accept the offer.

The WITNESS: Well, I could.

By the Chairman:

Q. You say it is a niggardly price. Is that the figure that they ask or is that the figure that you offer?—A. It is what we pay.

Q. Then it is up to you to come up.

By Mr. Hanson:

Q. There is no set rate with them at all. It is just a gentleman's agreement?—A. I think these gentlemen regard it, to a certain extent, as a very great public service.

By Mr. Bertrand:

Q. How are your fees arrived at with them?—A. Oh, we offer them so much and they take it; or if they do not like to take it, they bargain for more.

Q. But it is not simply an offer which is being made and they have to take it?—A. Oh, well, these things are all matters of negotiation.

Q. So even if they are not very well paid, they expect to perform a service anyway?—A. Yes.

Q. Which is for the public benefit?—A. Yes.

By Mr. Hanson:

Q. Does the same thing apply to the other staff, such as the engineering staff or the station staff? Is there an agreement with each individual?—A. No, sir. We have a definite scale of salaries.

By Mr. Hansell:

Q. Might I ask a question that might be rather difficult to answer. What forms the basis of your reason for choosing these news commentators? What I have in mind is this. Do you choose them simply because they are outstanding men, because you are certain that their knowledge of things in general, such as world events, is fairly reliable? I notice a significant statement here, which I am glad to see, in respect to forums and discussions. I suppose the same thing would apply to news commentators. The sentence reads, "In a people's war such as this, it is necessary not only to inform the public mind but to give opportunities for an expression of all sections of public opinion." Of course that applies to forums and discussions.

The CHAIRMAN: Excuse me just a minute, please. We undertook, or at least my idea of it was that we undertook to discuss news and news commentaries.

Mr. HANSELL: I am discussing that.

The CHAIRMAN: Let us follow the sequence.

Mr. HANSELL: I am discussing that.

The CHAIRMAN: I was going to ask to revert then to programs and we could follow the statement of Dr. Thomson in some kind of sequence.

Mr. HANSELL: I am asking it on that question.

The CHAIRMAN: All right.

By Mr. Hansell:

Q. I am only referring to that sentence as illustrative; that is all. News commentators must express their views and their views of news may not be correct. I am simply asking what forms the basis in the selection of a speaker?—A. Mr. Chairman, a combination of qualities is desirable; and in the last resort there is an imponderable personal factor that can hardly be accurately described. The combination of qualities that are required in a news commentator are, first of all, that he has a knowledge of and acquaintance with the changing war scene; second, that he has a certain intellectual and synoptic grasp of that changing scene. A third, and very important, quality is that he has a sense of integrity and public responsibility, so that he could not be described as a propagandist for any particular point of view; so that, while inevitably every man must be himself and must express his mind, and his opinions are inevitably coloured by his own background and point of view, he does not use this as an opportunity for propagating his own point of view. The last, and by no means unimportant, requirement is that he has that rather indefinable quality called microphone manner. We could, I believe, Mr. Chairman, considerably extend the range of these commentators, select them from a great number of men in this country who are following events with knowledge and understanding and who have competent opinions to express upon them.

But to get a man who can speak on the radio through the microphone very strictly delimits the number of men that you can get. I refer not merely to the actual vocal qualities, their speaking capacity, but to a certain indefinable thing that we call microphone personality. It is a combination of these qualities that makes a useful and acceptable commentator.

By Mr. Isnor:

Q. I do not recall that you mentioned Mr. Philip.—A. Yes, I did. I mentioned him, I think.

Mr. HANSELL: Yes, you did.

By Mr. Coldwell:

Q. I was going to ask you a question, Dr. Thomson. I jumped over the news section. I was going to ask you if you put on record what has been said of our news bulletins by the American broadcasting organizations. I believe we have received very high praise for the news bulletins that have been put over the C.B.C.—A. We have had a good deal of commendation.

Q. Was there not an award made?—A. There was an award made to Mr. Lorne Green from an organization that was concerned with evaluating the news commentators on the eastern seaboard; Mr. Lorne Green was given top award as an announcer of news. I am not sure how far we have it on record, but it has come to me personally from a great many sources, that there is high appreciation of the integrity and quality of our news. I was rather interested, Mr. Chairman, when I was recently lecturing at Yale university, to find that a number of the faculty to whom I was speaking about news, tuned in regularly to the C.B.C. news which they were able to get, I think, from station CBA. They said they had come to place a great deal of reliance upon the news which they received. We also know from surveys made that down through the whole boundary line, say in the Dakotas, in Montana, in Idaho and penetrating down into Kansas, a considerable number of people tune in regularly to CBK every evening to get the C.B.C. news. They like it because of the manner in which it is given, because of its integrity and because it is unsponsored.

Mr. COLDWELL: Yes; because there is no advertising to spoil it.

Mr. HANSELL: I think that the news broadcasts are very commendable, Mr. Chairman. I want to say that for the news broadcasts. I have not listened to the commentators so much, perhaps, but the voices of these men are very pleasing. I mentioned Lorne Green last session. I think Terence O'Dell too has a very fine voice. I enjoy listening to the men as well as to the news; and I am quite certain they would be an attraction to our American friends.

Mr. BERTRAND: Before we leave programs and news, I should like to follow up my question of yesterday to Dr. Frigon, if it is proper for me to do so now. My question was regarding French programs. Would you rather that we take it upon another section, Mr. Chairman, or take it now?

The CHAIRMAN: It is quite all right to take it now.

The WITNESS: I am not so competent, Mr. Chairman, frankly, to deal with the details of French programs.

The CHAIRMAN: It might be better to ask Dr. Frigon about that.

The WITNESS: I have general knowledge of what is going on, and I am kept acquainted with proceedings. But I frankly say that if I can follow what is happening on the English network, it is a big enough task for one man.

Mr. BERTRAND: Mr. Chairman, may I just be permitted to say this. Yesterday when I put one or two questions to Dr. Frigon, I think the answer was, "You had better put that question to Dr. Thomson." That is the reason I am asking him.

The WITNESS: Oh, yes.

Mr. BERTRAND: I noticed yesterday that when he was making his report, Dr. Frigon was very careful—and it was the reason for the tenor of my question at that time—to say that on the different French stations in the province of Quebec, of which I think he mentioned five main stations and nine subsidiary ones, a place was made for English programs on each and every one of those stations. I said that was perfectly satisfactory and we wish that to go on. There is no doubt about that. But there are 700,000 French-Canadians outside of the province of Quebec. May I ask what the corporation is doing to try to give a French service to this French population living outside of the province of Quebec?

The WITNESS: We have made arrangements, Mr. Chairman, to carry programs on station CBK; that is, for the prairie region. That policy was inaugurated in July, 1940. It began in a very modest fashion. Since then the programs have been increased and there were given, and there are given now, on the average of four programs per day over station CBK. These programs consist, so far as entertainment is concerned, in discs on which are recorded the French programs from the French network. Then we have also a French announcer, and he is something more than an announcer. He is a member of the staff who has to translate the English news into French. So that at the present time we are giving an average of four programs a day over station CBK, with French news each day for the French-speaking people. The main difficulty that arises, of course, in handling programs of that kind is the fact that station CBK is also on our English network. Consequently, you have to take out from the English network certain elements and put in the French programs. A problem that continually confronts us in dealing with this is, what shall we take out and where shall we put the French in? I think I have made a calculation that somewhere between 7 per cent and 10 per cent of the programs going over CBK are in the French language.

By Mr. Bertrand:

Q. What percentage did you say?—A. Between 7 per cent and 10 per cent, I think, of the programs going over CBK. Now, Mr. Chairman, it is a little difficult and complicated just to arrive at any basis on which you can put these programs over station CBK. For example, are you going to do it on a French population basis? Well, I think our calculation is that the French-speaking population in the prairie provinces is somewhere in the region of about 7 per cent. Are you going to take off very important national features? Then, if you do so, you get complaints from the English-speaking people. Indeed we have had complaints already. But, of course, as I have suggested, whatever we do we will have complaints. We must endeavour to strike an even balance, doing justice to all persons concerned; and I am very happy to think that we have been able to supply that number of French-speaking programs for our French-speaking people on the prairie provinces. I might point out further that we carry this responsibility alone. There is quite a number of private stations situated in the whole of that prairie region and not one of them gives a single French-speaking program; so that we carry the sole responsibility for that activity.

By Hon. Mr. LaFlèche:

Q. Does not the station at Edmonton give French programs?—A. I should correct that. Yes, it does, Mr. Chairman. I am glad to be reminded of that by General LaFlèche.

Q. I do not know how much it amounts to.—A. It is station CKUA of the university, and they give a number of French programs for instructional purposes. They are teaching French over station CKUA and they use some of our French programs, which makes excellent instructional material.

By Mr. Tripp:

Q. I should like to ask about those French programs you mentioned. Are they in addition to what is carried over the whole dominion?—A. No. That is the whole problem. It cannot be in addition. There are only so many hours per day; and if you put something in you must take something out. You have got to strike some kind of happy balance.

Q. Then if you have one, say, which is national in its character and goes clean across the dominion, you only use three others in that day?—A. Oh, no sir.

Q. No?—A. The schedule has to be put on a regular basis. You cannot just at the last moment decide, "We will put a French program in here, and put an English program in there." You have got to have the thing on some kind of considered basis; that is to say, for the French-speaking people, they must know when they are going to get French-speaking programs. You cannot tell them the night before that they will have a French-speaking program to-morrow morning or the next afternoon or next evening. You have to put it on some regular schedule. As I say, you have got to strike some kind of balance, you have to try to do justice to all persons concerned in deciding as to whether you shall take this out and put a French program in, and consider what are the interests that are involved. It is not very easy, but it has to be done.

By Mr. Boucher:

Q. Is there any arrangement made between the C.B.C. and private broadcasting stations to make broadcasts supplied to them by the C.B.C. in areas of settlement speaking other than English—French, Italian or German—so that they may get some broadcasts in a local, fairly densely populated community of that kind?—A. I was explaining, Mr. Chairman, what we do over station CBK, which is our biggest problem. We have not done anything beyond that except the fact that there are bilingual programs heard over the whole network from time to time. So far as languages other than English and French are concerned, we have not got into that region.

Q. Would it not be possible to have a very practical solution to the problem by co-operating or getting the support of private broadcasting stations to make broadcasts supplied to them by the C.B.C., rather than detracting from the national set-up and taking the tongue of, say a majority of the listeners off the air to supply a minority?—A. Well, I can answer that very simply. We have from time to time suggested that approaches might be made. Indeed, I have done so to several private stations in the prairie regions, and they told me they would not carry anything but English programs. As I explained previously, we carry the sole responsibility over station CBK for any kind of French-speaking service that is given.

By Mr. Bertrand:

Q. It would be very dangerous to say that the service would be given only to the majority; because the question would present itself in the province of Quebec where all the stations, as Dr. Frigon has said, endeavour to have English programs; not only do they endeavour to do it, but it was very carefully studied in order that they might have English programs over all of these stations. I am sure the French population do want the minority there to have English programs. It would be impossible to say that this policy should not be continued in other parts of the country. We do appreciate the effort which the corporation is putting forth to serve the French population. This station CBK is Watrous?—A. Yes.

Q. Is there a possibility that the Vercheres station could be used?—A. It is a shortwave station.

Q. Oh, yes.—A. Yes, sir. I should have added that to my explanation. I was thinking mainly from the point of view of the national program. There is a shortwave station at Vercheres which carries the French network all the time. That was put up precisely for the purpose of giving the French-speaking people in areas outside of Quebec an opportunity to get programs. I have inquired about this matter; and while Vercheres is received, as I understand it, in other areas, we have to recollect that it is not every home that is equipped with a shortwave receiving set. A great many of these French-speaking people continue their lives on farms in the west, and it is not every farm home that has the equipment to receive shortwave. However, that is another service that is given.

Q. May I ask, Dr. Thomson, if these broadcasts from the shortwave station at Vercheres are claimed to be satisfactory all over the country?—A. I am not an expert on shortwave broadcasting. I think it has to be understood, Mr. Chairman, that shortwave broadcasting is never, on the whole, as satisfactory as the standard band. You get all kinds of difficulties arising. I think any one who has listened in to shortwave broadcasting knows that it never has the same quality. That is particularly true of music. Music has never the same quality over a shortwave broadcast as over the standard band. With speech you can stand a little defect in the actual reception quality. I think that has to be studied.

Q. Is it considered that this shortwave station will be a supplement to the local stations that might be placed here and there throughout the dominion in order to give a better service, or is it considered as important in the future that shortwave broadcasts should be given in order to give satisfactory reception?—A. That is a technical matter, Mr. Chairman, and I am not an expert on the technical aspects of radio. It can be studied. I am simply telling you what the provision we have made consists of.

Q. May I resume my questioning by saying this. It has been the policy of the Canadian Broadcasting Corporation, as much as it was possibly feasible, to broadcast French to wherever French people were settled in the Dominion of Canada. Probably Dr. Thomson would like to comment on that. May I ask whether that policy will be continued in the future, with a view to obtaining even better results for this part of the population?—A. In so far as I am responsible for policy, I should certainly say, yes. It is my own personal attitude that, on this whole problem of our two languages in this country, we should have a place for them both, and that we should endeavour to bring programs in their own language, as far as that may be practicable, to places where there is any considerable community of French-speaking people in this country.

Mr. BERTRAND: May I say, Mr. Chairman, and through you to Dr. Thomson, that we do appreciate this effort, and you can rest assured of our co-operation.

By Mr. Boucher:

Q. I should like to follow up the question I asked a little while ago, when you stated that you had made attempts to have private broadcasting stations in local areas carry broadcasts of material supplied by the C.B.C. and had failed. Can you give us your viewpoint as to the advisability of having such done, if possible, and as to the reason why your attempts have failed? My personal opinion is that it is a very practical and economical policy if it can be worked out; and there should be, in my opinion, every effort made to work it out where it is possible to do so.—A. Well, sir, I think you have to realize that a private station is operating on a commercial basis; and their interest is to attract a hearing from an audience who will support that commercial basis. You find that these private stations are located in considerable communities—cities or

larger towns—and they are interested in commercial broadcasting. Their primary interest is not service to any particular section of the community; although they do a very great deal of service, it is, if I may say so, incidental to their own necessary commercial operations. One or two of these station managers whom I have approached have said they believe that because they would be broadcasting to a minority audience it would have the effect of detracting from the majority interest in their station. I think they are quite plain about the matter, and that fact has to be taken into consideration.

Q. The same argument holds against the C.B.C. broadcast, and I believe the C.B.C. should be empowered to make such terms as are necessary with the private broadcasting station to do that very thing. I think your answer is the reason, but I do not think it is an obstacle that cannot be overcome.—A. I have met opposition from them. I have taken the matter up, not in any formal fashion, more or less by way of conversation. I did so when I was in the prairie provinces last winter. I asked them what their attitude towards taking French programs was, and they said, "We think it does not meet the majority of our audience and consequently we are not interested in the proposition."

Q. Is the plain fact not this, that if the majority of listeners must be inconvenienced in order to bring broadcasts to a minority then there is a place for this nation to take steps to see that the minority is supplied without detracting from majorities?

Mr. COLDWELL: I know what you mean. Travelling through the prairie provinces, while a good many people realize that this service must be given to the French-speaking people of the prairie provinces yet the complaint is sometimes made that, "When the French program comes on we turn Watrous off; then we do not turn Watrous on for a while and we do not listen sometimes to the programs that we expected to listen to because we had to turn the big station off." I think Mr. Boucher is quite right. It seems to me that the whole matter devolves around the question of what broadcasting is going to do, whether it is going to be an advertising medium or a public service. It seems to me that more and more we have got to establish radio as a public service rather than as an advertising medium because naturally an advertising organization looks to the large audience all the time, and if the station can maintain that large audience without interruption then, of course, it is a more valuable medium to advertising.

Mr. BOUCHER: My opinion is that so far as the Canadian Broadcasting Corporation is concerned our viewpoint should be national. To be properly national we should take care of the local situation as well. We will have to have something for the local requirements of a group not speaking the same tongue as the majority listening to that station. Then we must supply some service without detracting from the national service of that local station.

Mr. ISNOR: I do not know whether I agree with Mr. Boucher or Mr. Coldwell in regard to this. I may be wrong, and I am quite ready to be corrected if I interpret their views incorrectly. I think the broadcasting of news, we will say in English and French, is an altogether different proposition to that which was indicated by Mr. Boucher. I think if the policy of the Canadian Broadcasting Corporation was changed so as to include broadcasts to the minorities of Canada in the different languages we would be creating a very great amount of confusion and would not be adding to the unity which we are trying to create throughout the whole dominion. I think it would be a complete change of policy. I think it would be a mistake for the Canadian Broadcasting Corporation to place itself in the position of saying to the private broadcasting companies, "You must devote a certain portion of your time in certain localities to broadcasting in certain languages." I think that would be a mistake. I do not think it would

add to the unity of Canada, and apart from the viewpoint that I hold it is not the business of the Canadian Broadcasting Corporation to interfere along those lines with privately owned broadcasting stations.

Mr. BOUCHER: Following that up, I must say I cannot agree with you because I can put myself in this position; say there is a small English minority in the province of Quebec and a large English majority in another province, why should—

Mr. ISNOR: I prefaced my remarks by saying it was a different proposition. The British North America Act provides for that.

Mr. BOUCHER: Our Canadian citizenship is predominantly French speaking and English speaking but there are a great many other tongues within Canada which are just as much entitled to Canadian nationality, to Canadian Broadcasting Corporation news, as anybody else. I do not think that because a section of our country has 10 per cent of the population that it should have half the broadcasting time or even 10 per cent of the broadcasting time but I say it should be served and it should be served with material that makes Canada a nation, so well exemplified by the aims and objects of the broadcasts on the Canadian Broadcasting Corporation.

Mr. TRIPP: Mr. Chairman, if you are going to provide this service without interruption to the Canadian national service it would mean as far as Saskatchewan was concerned you would have to build five or six more stations for the purpose of broadcasting.

Mr. COLDWELL: Unless you can get other stations to take some of the programs.

Mr. TRIPP: In other words, you have to pay private stations.

Mr. BOUCHER: I think we should pay them.

Mr. TRIPP: I do not know that you could dictate to a private organization to that extent.

Mr. COLDWELL: I do not know. We are giving private broadcasting stations the use of the air which is a public utility, a public privilege. I think we can expect some service in return from them. I do not think it is necessary to pay them. I think if their balance sheets could be produced here as they should be, and Mr. Bannerman promised last year that they would be, it would show that they could give a little service to the community.

Mr. BERTRAND: There is probably another consideration in that, that private stations are deriving their benefits from commercial fees.

Mr. BOUCHER: And from the Canadian Broadcasting Corporation as well.

Mr. BERTRAND: Yes, but if you look up the revenues of the Canadian Broadcasting Corporation you will find that licence fees for the year 1943 are estimated at \$3,700,000 while commercial fees are only \$1,204,000, so the Canadian Broadcasting Corporation is financially maintained or supported more by licence fees than anything else. That comes from the people, and it is then the duty of the Canadian Broadcasting Corporation to render more of a national service than we would expect from a private station. There is no doubt this is fundamental. For some time to come I suppose there will be some difficulties as far as languages are concerned, but I think the corporation is doing well at the present time in its endeavours and later on as we grow up service might be given to other tongues in Canada. Of course, I am not pleading for only one minority.

Hon. Mr. LaFLÈCHE: In time of war, Mr. Chairman, I think it would be well that we remember that the mass of the Canadian population might take it as a shock if all at once programs in languages spoken by the people with whom we are at war were used on the air, but would it not be possible, because I believe

in recognizing a man for what he is, if he is worthy, to pick out a few choirs or musical organizations, the Ukrainians, for instance, and in that way to recognize these new Canadians, make them feel at home and that they are not outcasts in the country which they chose to live in before this war began? I have an idea that we could raise to a considerable extent good hopes, but I am very sorry to add, however, that in war-time in my opinion we must be careful not to shock the susceptibilities of our loyal people who are fighting the war. We should also be careful in refraining from encouraging in any way any enemy. However, it seems to me that it is possible to devise some means of showing these groups of foreign racial origin that they are Canadians, we are counting on them and we take them at the value which they prove to us they are. It is a rather complicated business in war-time, but it seems to me that the broad policy is a good one.

Mr. BOUCHER: So far as I am concerned—

The CHAIRMAN: Order please; I think I am just going to suggest to you that we take advantage of the presence of the witness here to ask him questions rather than have a discussion between the members of the committee as to their views. That can take place at another time, but let us take advantage of the presence of Dr. Thomson.

The WITNESS: If I may be permitted, Mr. Chairman, just to make a remark on the very important point that General LaFleche has brought up, it is our considered policy to give opportunity for self expression to these various groups on our programs, and we are very happy that we have had Ukrainian choirs and music representative of these different elements that have come into our country.

Hon. Mr. LaFLECHE: May I ask a question? I would like to hear, and perhaps other gentlemen on this committee also, a comparison between a program given by use of disc records and the living voice of the person who appears before the microphone. That question runs through as a thread in all these problems to my mind.

The WITNESS: Mr. Chairman, I am no expert on the matter. I believe sometimes it is very difficult to distinguish between the direct voice and the disc.

By Hon. Mr. LaFleche:

Q. Is the disc oftentimes better than the living voice?—A. We have to remember that all reproduction over the microphone is mechanical. It is a question of the character of the mechanism employed.

By Mr. Coldwell:

Q. Can you tell the difference when a disc is used and when the individual is before the microphone? Is there any way of telling the difference?

Dr. FRIGON: Usually it can be detected.

The WITNESS: I believe the expert ear can detect it.

Mr. HANSELL: I think the only detection is a slight scratch in the record. I have tried to distinguish and I cannot. I am certain if they were not told they were electrical recordings half the people would not know it.

Mr. COLDWELL: I think that is right.

By Hon. Mr. LaFleche:

Q. May I put another question? I shall be very short. English programs given over the stations in the province of Quebec are prepared by whom or decided by whom?—A. The English program section for the province of Quebec comes under our general English program department. That is over station CBM.

Q. And the English programs given over what is termed the French network are decided on by whom?—A. That is a different question, Mr. Chairman, because that becomes then a question of policy for the French network, and they have to take from the English network, or from the English program department, such programs as they wish. Obviously that has to be left in the hands of our French program department.

Q. But these items that are chosen to be given over the French network in the province of Quebec are prepared by the English program department of the C.B.C.?—A. Yes.

Q. Now, in station CBK who does likewise, or vice versa?—A. Station CBK is part of the English speaking network, but there is a consultation held on what are the most popular features in the French language that might be given over CBK. There is a consultation on that matter.

Q. Does the French program department of the C.B.C. decide which items shall be given over CBK on the time that is allotted to French programs?—A. It is a matter of consultation.

Q. It is not quite the same as in the province of Quebec. There the English program department decides upon the items and the choice is left to the French network. In CBK evidently the English department picks the French items?—

A. The English program department is responsible for the programming of the station. Then we say that a certain amount should be in French. How does the English-speaking program department get that French material? It turns to the French department and says, "What are the best features we can give?"

Q. And the French department supply the items?—A. Supply the items.

Q. The same as is done in English in the province of Quebec?—A. Yes.

By Mr. Coldwell:

Q. Do you put English programs over CBF?—A. To a certain extent.

Q. I was thinking of the two analogous stations. CBM is a station with a lot less power, I believe?—A. Yes.

Q. Are there other stations in Quebec that are giving English programs as well?—A. There are a few English-speaking programs go over our Quebec station, and also Chicoutimi. There is an English news bulletin goes over Chicoutimi.

By Hon. Mr. LaFleche:

Q. May I ask how long the English news item has been going over the Chicoutimi station?—A. I have not the information just at hand.

Q. Is it something new?—A. No, it is not new. I cannot tell you when it began.

Q. If it dates back any time at all then it was comparable exactly to the situation in Saskatchewan having relation to the proportions of the English-speaking and French-speaking people. With the workers at Arvida there may now be a greater proportion of English-speaking population but that would not have applied then when you instituted giving an English program over the Chicoutimi station. Thank you, Mr. Chairman.

By Mr. Boucher:

Q. There was a great deal of controversy some time last fall over the refusal of the C.B.C. to broadcast the Meighen speech at the Winnipeg convention. Could we have a statement on that?—A. I can recite the facts, Mr. Chairman.

Mr. COLDWELL: Does that come under this particular section?

Mr. BOUCHER: Programs.

THE WITNESS: The first application that was made by the representatives of what I believe was then the Conservative party was made to the Canadian Broadcasting Corporation prior to my assuming the general managership. It was done during the regime of Mr. Gladstone Murray. On October 7, Mr. R. B. Hanson approached the general manager, who then was Mr. Gladstone Murray, asking that some kind of advance publicity should be given for the forthcoming Conservative party convention. There were to be two speakers, the Right Hon. Arthur Meighen and Mr. Milner. As I at that time was the prospective general manager I was also consulted. Both Mr. Murray and I were of opinion that this was a rather important question and we resolved that it should be made a matter for the Board of Governors' policy. Consequently the Board of Governors was consulted by letter or telegram because the next meeting of the Board of Governors was not scheduled until the month of November. The governors decided that while on the whole they would like to accede to this request it was a new departure that might lead to innovations, and they decided that the request should not be granted. Following upon that refusal a communication was sent to me—by this time I was the general manager—asking that half an hour on the national network on a paid basis should be given for addresses by the Right Hon. Arthur Meighen and Mr. Milner. It had already been decided by the Board of Governors that political broadcasting between elections on a paid basis should not be carried on during the period of the war. So that on two grounds I had to refuse this request, (a) that I could hardly give on a paid basis what already had been refused on principle on a sustaining basis; (b) that the Board of Governors had already decided that it would be an innovation in policy to grant publicity to a forthcoming political convention.

By Mr. Coldwell:

Q. May I just ask a question? You said that it had been decided by the Board of Governors that there should be no political broadcasting on a paid basis during the war. Was it not wider than that? I thought that was adopted in July, 1939, prior to the war, and had nothing to do with the war?—A. No, sir.

Q. You are referring to the white paper?—A. Yes, but there is an item in the white paper.

Q. I am speaking from memory, of course. That was my impression.—A. Section (c) of the white paper deals with the question of party political broadcasting in the periods between election campaigns. There, among other matters, it states—I am referring now to section 33:—

In periods between elections any established political party, whether federal or provincial, may purchase time either on networks or over individual stations, including those owned by the corporation. Purchase is subject to the conditions that the party accepts responsibility for the broadcast, indemnifying the C.B.C. against the possible consequences of libel or slander; that each broadcast is prefaced and concluded by an appropriate announcement making clear the nature and auspices of the broadcast, and that there is no undue interference with normal program requirements.

Q. When was that adopted?—A. This was issued on July 8, 1939. I have the exact resolution of the board. I had it made out for me. On January 22, 1940, the Board of Governors passed the following resolution:—

The manager's recommendation concerning the suspension of paid political or controversial broadcasts on C.B.C. stations was considered and it was agreed that paid or controversial broadcasting on C.B.C. stations, networks or hookups, except during elections, be suspended for the duration of the war.

Mr. COLDWELL: I thought that was passed before the war.

The CHAIRMAN: No.

By Mr. Boucher:

Q. I take it from that it is the established policy of the C.B.C. that no political or controversial broadcasts paid for or otherwise of any kind shall be permitted over the C.B.C. during the duration of the war; is that correct?—A. That was the resolution of the Board of Governors that I have read to you.

Mr. BERTRAND: Outside of election times.

Mr. BOUCHER: Outside of election times.

By Mr. Boucher:

Q. Has that been upheld?—A. Yes, sir.

Q. And in consequence of that suspension of January 22, 1940, the Board of Governors did turn down the application for broadcasting the Winnipeg convention?—A. I have explained, sir, that the first application was not on a paid basis. It was made on a sustaining basis. Then it became a matter of policy to be decided by the Board of Governors, and I have intimated what the decision was. It was prior to my assuming the general managership.

Q. But while you were a member of the board and you were consulted as to it?—A. I am only one member of the board. The decision was not unanimous.

Q. And no change in policy has been adopted since?—A. No, sir.

Q. And consequently you say that being the case an application that is sponsored by a political association, under the auspices of any political party, must, whether paid or on a sustaining basis, be rejected?—A. No, not necessarily on a sustaining basis. It only referred to paid political broadcasting. I took the responsibility for giving an opportunity to Mr. Bracken, the newly elected Progressive Conservative leader, to speak as soon as possible after he had been elected at the Winnipeg convention.

Q. That is just what I was coming at. He has spoken?—A. Yes, and Mr. M. J. Coldwell, who is a member of this committee and the leader of the C.C.F. party, has also spoken at a later date.

Q. There is no question about it, there have been political broadcasts given over the C.B.C. on a sustaining basis?—A. On a sustaining basis.

Q. And on no occasion has there been a broadcast under a commercial basis?—A. That is correct.

Q. And on whose authority, who decides whether or not and when a political broadcast can be made under a sustaining basis?—A. That responsibility, I fear, is mine. I have to exercise my responsibility, and it is a very heavy one, in relation to the Canadian people. From time to time it is my belief that the people should hear different shades of opinion representative of different political parties through their accredited leaders, and I have to exercise my judgment and discernment in the matter.

Q. Is there any system or order or scheme under which you go in your determination?—A. No. If I may speak quite frankly I think this whole question of political broadcasting is one of very great importance in which the Canadian Broadcasting Corporation inevitably encounters some of its greatest difficulties because its action is always open to misconstruction and, indeed, to criticism. I think our whole policy with regard to this matter has undergone what might be called an evolutionary development whereby through practical experience we have been able to see what would be the wisest policy. We began with a statement of policy which was issued in 1939 which was an agreed policy between all the political parties concerned. In that statement of policy the main concern was given to providing opportunities for the Canadian people to hear representatives of all the political parties that might be involved in a general election. That policy has been in action since and so far I do not think there have been any complaints. It has worked exceedingly well. The last parliamentary com-

mittee made a recommendation which was adumbrated in this statement of policy suggesting that the same policy that had been in effect so far as general dominion elections were concerned might be extended to provincial election campaigns. May I read to you section 29:—

It is the intention of the corporation to extend to provincial election campaigns the principle of allotting free network time to the political parties. The application of the principle to provincial elections will, however, be deferred until after the approaching dominion general election has been held. It is desirable to test the policy in one arena before extending it to others. If the plan proposed for the dominion elections proves successful a suitable modification designed for provincial purposes will be drawn up in the light of the experience gained.

Having received a recommendation from the last parliamentary committee, and in the light of the experience gained the Board of Governors passed a resolution extending the same opportunities to provincial election campaigns. That was done at the meeting of February 8th of this year. So far there has not been any opportunity to try out this extension of the policy in practice, but from all the signs in the air that may shortly become a practical possibility.

Then there is the next step, and perhaps in some ways the most difficult, how far we should be able to give an opportunity for various expressions of political opinion from accredited leaders between election times. Now, Mr. Chairman, I am speaking simply in my personal responsibility. This is not a matter of board policy, and it should be a matter of board policy, but in my own personal responsibility I should say that I would like to see further opportunities given for all kinds of expressions of political opinion to be heard. I think it would need to be done on the basis of some kind of consultation between the parties themselves.

Furthermore, I should like to say that I personally am entirely opposed, and I speak only for myself, to the purchase of time on the national network by political parties under any circumstances whatsoever because it might mean that the party with the largest funds could command the largest amount of time, and it is my belief that we exist to provide an opportunity for all shades of opinion irrespective of whether they have large funds at their command or not. As I have said, it is a matter for evolutionary development whereby through practical experience we can provide the people of Canada with what seems to me to be a very important kind of service.

May I say one thing further, and I speak also in the light of experience, that if the Canadian Broadcasting Corporation is to carry through its function they will be placed in an intolerable position if in the exercise of that function in good faith they are also dragged into the arena of political controversy.

By Mr. Coldwell:

Q. I was going to ask Dr. Thomson a question along those lines. I agree with him. I think from the point of view of promoting faith in parliament it is wise to have such broadcasts, but I was wondering if the forum idea extended into the political arena is not really better than putting individuals on the air without contradiction. We know how these forums are arranged. You have a prior discussion and pretty well agree as to what will be said. I have often thought if representatives of the various political points of view were put on together in a forum discussion it would be of much more value than simply having a representative of one of the parties going on the air and expressing purely the point of view of that party. That is where the corporation may get into a little trouble. It seems to me that the forum idea, if it could be extended to the political arena, would meet the situation better than the individual broadcasts that are made.—A. May I have an opportunity to amplify what I

said, and to say something of what has been done exactly along the line that Mr. Coldwell has suggested? As I intimated in my main evidence we had two very interesting series of parallel broadcasts during the last two months concerned with the question of reconstruction. There was the series, "Things To Come" on the English network, and "Opinions" on the French network. Mr. Chairman, it gave me a great deal of satisfaction in the arrangement of those series that we were able to fulfill exactly the intention that Mr. Coldwell has proposed here. The whole list of subjects is very interesting, but I think that even more interesting is the variety of speakers who were able to come. We had representatives of every political party in the House of Commons who came, as Mr. Coldwell has suggested, to sit around and discuss matters. For example, I think this was quite an achievement, to have the Governor of the Bank of Canada engage in a public discussion with a Social Credit representative.

Q. Mr. Quelch—A. Under the chairmanship of an editor of a Toronto journal; to get members of the labour organizations to engage in a discussion with those who were representing what might be called the commercial or the employing interests in this country; to get farmers sitting down and discussing with representatives of other interests. I think that this was a very notable achievement, Mr. Chairman, both so far as our English network and so far as our French network is concerned. I have just made arrangements that this series should be published and it will be available for the whole of the Canadian people to read—the discussions that ensued.

By Mr. Isnor:

Q. Those discussions that you propose to publish are not forums, are they? —A. They are not necessarily forums. That would probably not be the more precise description. They are discussions. We invite different people representative not necessarily of antagonistic but rather of opposing points of view; and we ask them, under a chairman, to discuss the topic that is selected for the day.

By the Chairman:

Q. Does that not become more or less a competition between individuals rather than between policies which they advocate, wherein the man who can present his case best, has got the best ground? It is like a prize fight.—A. Well, every man can speak for himself, at least.

Mr. TRIPP: That kind of a program can develop into quite a game.

The CHAIRMAN: Yes.

Mr. TRIPP: What I mean is this. One party can ask a question that necessarily takes a considerable length of time to answer properly; and on a short program there is not that opportunity.

The CHAIRMAN: It is sparring.

The WITNESS: I should point out that the program is very carefully rehearsed.

By Mr. Tripp:

Q. It is rehearsed beforehand?—A. Yes. It is not done ad lib.

Mr. HANSELL: I was going to pursue the discussion a little further in respect to political broadcasts. I want to refer to page 29 of the evidence given on Friday, June 11, where it states:—

Immediately after his election as the new leader of the Progressive-Conservative party, Mr. John Bracken accepted an invitation to address the Canadian public over our entire network, and arrangements were made to give a simultaneous broadcast of his address over the French network. At a later date, Mr. M. J. Coldwell accepted a similar

invitation to present his point of view. It is hoped that in future we shall be able to extend this valuable service in giving the Canadian public an opportunity to listen to addresses from our responsible political leaders.

May I ask if any provincial premiers were invited to speak?

The WITNESS: Not by me, sir.

Mr. HANSELL: Might I ask if Mr. John Blackmore, the leader of the Social Credit party, was ever invited to speak?

The WITNESS: No, sir.

Mr. HANSELL: Might I just point out for the record, as far as political parties are concerned, that while Mr. Coldwell has been invited, and his name is particularly mentioned here, in 1936 the Social Credit party had a representation in the House of Commons of seventeen members; the C.C.F. had at that time less than half that number, namely eight members. In 1940 the Social Credit party were elected with ten members; the C.C.F. were elected with eight, and since they have gained another seat.

Following that, I wonder if we could be provided with a list of those who might be regarded as political speakers, having spoken on the C.B.C., for the year 1942 and up until the present time, together with the dates and the number of times they might have spoken. Dr. Thomson does not need to give us that now. It is all right to include it in the record at another time.

By Mr. Coldwell:

Q. Might I ask Dr. Thomson a question there. Was there not a particular reason why Mr. Bracken and myself were invited at that time to speak over the air? May I just suggest that the reason was that Mr. Bracken had just been appointed national leader of the Progressive-Conservative party, and I had just been appointed national leader of the Cooperative Commonwealth Federation party?—A. That is so. That was my reason certainly with regard to Mr. Bracken. From the great public interest that was aroused by the Progressive-Conservative party leader's election, I thought it was doing a service to the Canadian people.

Mr. HANSELL: I am not objecting to Mr. Bracken or Mr. Coldwell speaking. I want that understood.

Mr. COLDWELL: Oh, I know that. But I wanted to bring that point out.

The WITNESS: I have stated very frankly that it is a matter of evolutionary practice which we are trying out just to see what can be done. I have here, if you like, Mr. Chairman, a list of the members of the House of Commons who spoke over the C.B.C. network last year. Would that be of any interest?

Mr. HANSELL: Yes. That will be of interest.

The WITNESS: As a matter of fact, it has already been made a return to the House of Commons on the request of Mr. Thomas Church, M.P.; but it can be given.

Mr. HANSON: Put that in the record.

Mr. HANSELL: I think it would be of interest to have it put in the record.

By Mr. Tripp:

Q. Before the answer is given, could the witness tell us on what subjects they spoke, and if they had the choice of subjects or were asked to speak on a specific subject?—A. I have not all the details on hand. Well, I do have them here and they can be printed as a return—the subjects on which they spoke.

Q. Were they on political subjects or were they other subjects?—A. It depends on what you mean by a political subject.

Mr. BOUCHER: What is not political?

Hon. Mr. LAFLÈCHE: For instance, on the same program was Mr. Bracken who was representing his party, and Mr. Coldwell, presumably representing his own party.

Mr. HANSELL: Yes. I am not concerned with those who may have had a part in the program "Things to Come". I am concerned about those who took time to address the Canadian people.

Mr. COLDWELL: Would you say on the plebiscite, or the victory loan or something of that kind?

Mr. HANSELL: Yes, if the subject is given. I might mention that Mr. Blackmore was invited to speak on the victory loan.

The WITNESS: Yes.

Mr. HANSELL: But I think that is the only time. One speaking on the victory loan speaks, I think I can say safely, to all intents and purposes in support of the government policy. He could not very well do anything else.

Mr. ISNOR: Did he not speak on the plebiscite?

Mr. COLDWELL: Yes. He spoke on the plebiscite.

Mr. HANSELL: He might have spoken on the plebiscite. Yes, I think he did.

Hon. Mr. LAFLÈCHE: As an illustration of how there possibly might be confusion because of Mr. Hansell's question, and there might be confusion in our own minds, if you will permit me I will use myself as an example. I spoke on salvage. If there is anything else in a sense more important to winning the war, but less political, I should be indebted to anyone who would tell me what it is. I use that as an example to illustrate how we might confuse people, for instance, if a person speaking on such subjects were included under the general heading of political broadcasting; because after all, the question here put by Mr. Hansell followed the question raised by Mr. Boucher.

Mr. HANSELL: Yes, exactly.

Hon. Mr. LAFLÈCHE: It is an entirely different thing as to meaning.

The CHAIRMAN: Just a minute. Order, please.

Mr. BOUCHER: I think I should like to place on record what my own feeling is, in summary, if I may, to illustrate the difficulty I see in having the manager of the C.B.C. with exclusive power and discretion as to whom he invites to speak, and when. We have here the C.B.C. serving the Canadian public on national interests. We have the war which has complicated the atmosphere very seriously. We have the responsible ministers of the Crown speaking on many subjects, including salvage, the plebiscite and so on, all of whom, of necessity, must support the policy of the party in power—must support the policy of the government which is the party in power.

Mr. TRIPP: No; support the war effort.

Mr. BOUCHER: I say that, I think, quite correctly.

Mr. TRIPP: No. I think the more correct expression would be "the war effort", not "the government".

Mr. BOUCHER: The policy of the party in power.

The CHAIRMAN: Order, please. Continue, Mr. Boucher.

Mr. BOUCHER: I say that advisedly. I say that by virtue of that situation, when members who are not members of the government or the party in power are called in to speak on government policy or on the war effort—which is, we hope, government policy too—we have a very limited scope.

Hon. Mr. LAFLÈCHE: There need be no doubt about the war effort, Mr. Boucher.

Mr. BOUCHER: There is a very limited scope given to those who speak, unless they, in speaking, play partisan politics in doing so, which can happen. Consequently I say it is unfair to both the general manager of the C.B.C. and to the people of Canada to trust the manager of the C.B.C. to use perfect discretion, without discrimination or accusations of such, to simply invite according to his own yardstick—conscientiously asserted, too—members of other parties to speak on political subjects. I do feel that something should be done about making the situation more clear, more certain and more equitable. In so far as the Winnipeg convention is concerned, certainly it was political. We hope, believe and know it to be national as well; because after all, we have to realize that the C.B.C. is not just a propagandizing agent. It is an element to express the national sentiments, the national feelings and the national thoughts of the rank and file of the Canadian people, and to give them guidance. The result is I purposely would urge on this committee, and exhort this committee to get a more clearly defined, a more certain and more equitable policy in relation to political controversy. We have listened to the general manager of the C.B.C. expressing his viewpoint as he did, and which I so largely agreed with this morning. I do not think I am wrong when I take it that he feels that so far as private parties paying for time on the radio is concerned, it is not good policy; but that, so far as political thought being expressed by political leaders is concerned, it is a good policy, and that it is a good sound business principle to allow political leaders—not only leaders of the parties but big men in their parties and responsible to their parties—to accept their own responsibility in expounding or expressing their own political theory for the test of steel of the Canadian people. As I take it, there is a censorship over the radio that can go so far; but the best censorship of a speech, in my opinion, is sound public criticism. That being the case, I for one would urge that this committee take this matter very seriously; because I do feel it was a very serious mistake—and will have serious consequences if the policy is continued—to have refused to allow broadcasting for the Winnipeg convention because it was paid; and then again refusing because it was a matter of policy, and immediately after having refused, to allow the selected leader to speak on a politically controversial subject. I do not think it is fair to the Board of Governors, to the management or to the C.B.C. itself.

Mr. HANSELL: Mr. Chairman, I recognize that there are difficulties in this whole subject. I do not go quite so far as to say that government speakers are propagandists. I would not go that far. I mean, it is a thing that cannot be helped. The people want to hear about salvage. It is natural to expect Mr. Ilsley to speak to the public. It is natural for the Prime Minister or for the Minister of Labour to do so. It does not matter who would be in power. Mr. Boucher's party might or might not be in power the next time, but they would do the same thing. I do not regard those as political broadcasts at all. It is the natural thing that happens. But I do appreciate the fact that Dr. Thomson has said that they were anxious to give opportunities for the expression of all sections of public opinion. Therefore I do believe that all recognized political opinion should have its place on the air. I might ask Dr. Thomson if he too takes the stand that his responsibility is to say what might or might not be controversial.

The WITNESS: That is a very difficult question to answer. Any subject can be made controversial, even saying it is a fine day.

Mr. HANSELL: Certainly. That is it exactly. I doubt very much whether there is anything that goes over the air at all that could not be regarded as controversial. It is not the controversial part of that I am concerned with because I think we should have the pro and con on all subjects. What I am concerned

about is the possibility of getting into a fight and wrangle over the thing. That is the danger as I see it. It is not the safe and sane presentation of two or three opposing views that I regard as the danger.

By Mr. Isnor:

Q. Is it not the rule of the C.B.C. that you must present your manuscript in advance?—A. Yes.

Q. Twenty-four hours in advance?—A. I agree very much with what the speaker has said, that the real danger comes about when you enter into the field of acrimonious discussion, imputing motives and indulging in personalities.

Mr. HANSELL: That is it exactly.

The WITNESS: Mr. Coldwell will remember that when he was giving his broadcast, I took the very great liberty of sending him a personal and confidential letter setting out my views exactly on that subject; and I am very happy to think that he agreed with me that in any matter of presenting a large public issue from a political point of view, there were certain canons of public discourse that had to be regarded, particularly in radio broadcasting, where you have a singular potency that is very difficult for those of us who are handling it to describe exactly. The power of radio consists in its singular intimacy of speech, and that appears to give to the medium of radio broadcasting almost extraordinary power. Consequently I am rather concerned, Mr. Chairman—and I am glad the point has been brought up—that if there is to be what I have described as an evolutionary development in our policy so far as giving opportunities for political broadcasting to take place, that the standards of discourse should be of a very high character.

Mr. COLDWELL: May I say that I was very glad to get that letter to which Dr. Thomson has referred. It was entirely in line with my own point of view. The reason that I suggested this morning, Mr. Chairman, that the discussion idea is probably better is because it eliminates, to a very large extent, the dangers to which Dr. Thomson has just referred. If you get three or four men around a table, and the discussion is rehearsed, as these discussions are, you are likely to get eliminated from the discussion anything of an objectionable nature. That is one thing I had in mind when I favoured the discussion idea.

By the Chairman:

Q. Dr. Thomson, you said that any subject may be controversial. I agree with you in that. Have you issued a statement of policy with respect to controversial broadcasting on any other subject than political broadcasting?—A. No sir. Nothing beyond what has been published in the statement of policy with regard to controversial broadcasting. There is nothing beyond that.

Q. Then, to date, is it fair to say that the only thing that you consider is controversial broadcasting is political broadcasting?—A. May I quote section 44 of the statement of policy:—

Broadcasting is a changing and expanding art. The best method of presenting controversial material will naturally be evolved out of experience. The Canadian Broadcasting Corporation is not necessarily attached to any particular form. It already uses a variety of methods, including debates, forums, commentaries, and round-table discussions. It intends, however, to experiment with other forms of presentation. For example, a series of half-hour talks, in which a different speaker in each broadcast expresses his views on vital subjects, will shortly be tried out. Balance and fairness will be secured over the series as a whole rather than through the inclusion of two or more speakers in each broadcast. It is hoped this will permit of greater freedom and vigour in discussion without sacrificing fair presentation.

Then it goes on to section 46 which reads as follows:—

The full interchange of opinion is one of the safeguards of free institutions. The right to answer is implied in any democracy. Far from being a restraint on free speech, the corporation's policy is, therefore, believed to be an assurance that liberty of discussion is preserved and that all main points of view are fairly presented. The air belongs to the people, and the constant aim of the Canadian Broadcasting Corporation is to have the principal points of view on questions of importance heard by the people as a whole. The policy outlined has been adopted in an effort to ensure that the vast and incalculable medium of broadcasting will remain at the disposal of the nation, regardless of considerations of party, section, class or creed.

Hon. Mr. LAFLÈCHE: I take it this morning, Mr. Chairman, that Dr. Thomson, except where he has stated otherwise, is voicing the opinion of the Canadian Broadcasting Corporation as a whole. May I leave this thought with the members of the committee this morning, that when we ponder these matters of controversial broadcasts or possible controversial broadcasts, we remember that on the radio one can do good or one can harm the national interests; and that each one of us, remembering something perhaps of particular interest to a certain group of people in this country, must not forget we are at war and that internal friction is liable to hurt our national war effort. I perhaps should apologize for making that suggestion, but I hope that all members of the committee will take it in the spirit it is given, very sincerely. I see so much of these things that alarm me, sometimes.

By Mr. Coldwell:

Q. I was going to ask Dr. Thomson one more question. Last year we had considerable discussion about co-operation among the various government agencies—information agencies, the Wartime Information Board, the Canadian Broadcasting Corporation and so on. I remember last year we discussed at some length the possibility of unifying their efforts in closer co-operation. Has anything been done to bring about closer co-operation between these various information organizations of the country—I do not say of the government because I think it should not be of the government but of the country?—A. In co-operation with the War Information Board, and certainly with their knowledge, we had a meeting with the publicity representatives of all the various interests involved—government departments and wartime boards. We asked that they should communicate with us when they had any particular requests to make, that they approach us with regard to any program they wanted to put across. Always, inevitably, the Canadian Broadcasting Corporation has to assume the responsibility of adjudging where the programs are to go, what place we are to give to this and what place we are to give to that. There is, as I pointed out the other day, a rather limited amount of time at final disposal of the network. You take the vital hours of the day, from about say 7 o'clock in the evening until somewhere around 11 o'clock at night. Everybody wants to get in there. They have important programs to put over. It may be that the women's service wants to have a recruiting campaign. They want to publicize their particular branch of the service. It may be that the Wartime Prices and Trade Board want to say something to the people. It may be that the army want to put on the army show, to give some kind of publicity to the army and to provide entertainment for the people. In addition to that, we have other features of a very popular character. I think, frankly, the public would get very weary if they had to listen all night long to program after program publicizing this or that element in the war effort.

You would simply, in the long run, defeat the purpose you had in view. Indeed, it has sometimes been considered by those of us who are responsible in this matter, whether we have not already passed the saturation point in that regard.

Mr. HANSELL: I think there is a point there.

The WITNESS: Then again, you have the time zones. When it is 6 o'clock in Ottawa, it is only 4 o'clock on the prairies. It is only 3 o'clock in the afternoon on the Pacific. Taking all that vast, complicated and difficult problem, in the endeavour to meet the various interests and to exercise the very great responsibility of seeking to do justice to them all and to serve the Canadian people, and particularly to serve them in the war effort, the Canadian Broadcasting Corporation asked them to bring in their applications so that we might adjudge this over against that and give, as far as possible, a favourable place to all. It is a very difficult task, Mr. Chairman—an exceedingly difficult task; and in the long run we always proceed upon the premise that we shall certainly not please everybody.

By Mr. Coldwell:

Q. That is what I meant by co-operation. I wanted to find out to what extent you were able to accomplish that.—A. We have asked them to co-operate by coming and giving to us their requests. Then as between them, we have to adjudge and evaluate, placing them on the program here. Then it means taking something out and putting something in there. It is a difficult job.

The CHAIRMAN: It is nearly 1 o'clock so that will end the discussion for this morning. There was a request by Mr. Hansell to publish the names of those who had spoken over the C.B.C. All that information is given in a return that was made to the House of Commons.

Mr. HANSELL: I will be satisfied with the return. I will get it down at the office.

The CHAIRMAN: I do not see any justification for going to the expense of re-publishing it.

Mr. HANSELL: Has that return been tabled?

The CHAIRMAN: The return has been tabled and it is obtainable at the proper place, so that it will not be published.

I may say that there has been distributed for the convenience of members a white paper, statement of policy with respect to controversial broadcasting, corrected; so that you can keep that in your files.

The other matter I should like to take up is the matter of holding meetings at all next week. The Empire Parliamentary Association is here, and I know that many of the members wish to attend the deliberations of that association which are to take place almost every morning of next week.

Mr. ISNOR: I would move that we adjourn to meet at the call of the chair.

The CHAIRMAN: All right. If you leave it that way, the meeting stands adjourned, and we shall meet at the call of the chair when we shall continue with the questioning of Dr. Thomson.

The committee adjourned at 1 p.m. to meet again at the call of the chair.

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SESSION 1943
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, JULY 1, 1943

FRIDAY, JULY 2, 1943

WITNESS:

Dr. James S. Thomson, General Manager of the Canadian
Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



FRIDAY, July 2, 1943.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. J. J. McCann, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Bertrand (*Prescott*), Hansell, Hanson (*Skeena*), Isnor, LaFlèche, McCann, Rennie, Telford and Tripp.—10.

The Chairman read a letter dated June 30, 1943 addressed to him by the Honorary-Treasurer of the Canadian Council of Education for Citizenship of Shawinigan Falls, Que.

Dr. James S. Thomson, general manager of the C.B.C. was recalled and his examination continued particularly on broadcasting stations and licence fees.

Witness tabled the following copies which were distributed:

1. Statement showing the issue of radio licences for the fiscal years 1941-42 and 1942-43.
2. Annual statistical report to March 31, 1943 (Sustaining and Commercial network programs.)

The witness was retired.

The Chairman read a letter from the President of the Canadian Association of Broadcasters dated May 26, 1943 requesting to be heard by the Committee.

On motion of Mr. Isnor, seconded by Mr. Hanson (*Skeena*),—

Resolved,—That the Committee hear the Canadian Association of Broadcasters on Thursday, July 8 next.

The Committee adjourned at 12.55 p.m., to meet again on Tuesday, July 6, at 10.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 1, 1943.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: The first order of business to-day is the continuation of the questioning of Dr. Thomson.

Dr. JAMES S. THOMSON, General Manager of the Canadian Broadcasting Corporation, recalled:

By Mrs. Casselman:

Q. I would like to ask Dr. Thomson a question about one of the radio stations in Edmonton. As the committee knows, there are three radio stations in Edmonton, CJCA, CKUA and CFRN. CKUA is the university broadcasting station. That has always been the station the extension department used, and I think it has been of very great service not only to Edmonton but also to Alberta, because its programs have gone out to the whole province, farm programs, concerts and good music. Of course, the other stations have also done that. These other stations are private and there is a real place for these private stations there. They give announcements and have also been very good about doing that, and they also provide an outlet for the local talent; but CKUA was just simply a university station, it was not a commercial station at all. Then a short time ago they spent \$30,000 to increase the power of the station to bring it more up-to-date, thinking they could get a commercial licence. I think the university has made application for that and I understand they have been given a limited licence with some conditions attached. I wonder if I can have a clarification of the reason why they were not given a full commercial licence?—

A. Mr. Chairman, Mrs. Casselman and gentlemen, before I answer Mrs. Casselman may I be allowed to make a correction in the proceedings? At page 60 of No. 3, the fourth paragraph, line 16, the word "wireless" should be cancelled and the words "wire lines" substituted; so that the record should now read, "for the rental of wire lines to carry our programs all across Canada."

May I further say, before I answer the question, that the maps that the committee requested are available and are being distributed.

Answering the question, Mr. Chairman, station CKUA is a private station in Edmonton, owned and operated by the University of Alberta. It was erected in 1927 and, as Mrs. Casselman has said, it has had a very excellent record of service. It has been regarded by the university authorities as a part of their extension work. I think all of us who are acquainted with the work are fully in accord with the excellent testimony Mrs. Casselman has borne to its activities. It is also true that CKUA has spent a considerable amount of money in bringing the plant up-to-date. During the course of last year they found themselves in financial difficulties. They are very anxious to preserve the university connection with the station, but they found that there were not sufficient funds in the budget of the university appropriation to care for this part of their activities. I conferred with the board of directors on two occasions to discuss their problems; and eventually they decided that the best method to maintain their independence and at the same time to secure their financial stability was to apply for a commercial licence. They duly applied to the Department of Transport for a commercial licence—I think in the month of March last year—and as required

by the procedure the matter was referred to the Board of Governors of the Canadian Broadcasting Corporation, and on April 13 the president of the university, Dr. Newton, appeared in support of this application. I should say that at the same session of the Board Governors Mr. G. R. A. Rice, who is the manager of station CFRN in Edmonton, appeared before the board to say that if a third commercial licence was granted in the city of Edmonton it might have a highly prejudicial effect upon his operations. I should explain that there are three stations in Edmonton, that two of them have heretofore been on a commercial basis whereas station CKUA of the University of Alberta has been entirely educational, without engaging in any kind of commercial broadcasting whatsoever. In the light of the representations which were made and exercising its wisdom, the Board of Governors recommended to the Department of Transport in the following resolution, "that a licence for commercial operation be recommended provided that the gross advertising revenue be limited to \$25,000 per annum exclusive of commissions deducted by advertising agencies, and that the gross revenue figure be subject to review at intervals of not more than once a year, and further provided that if CKUA takes any existing business from CFRN the commercial licence of CKUA may be cancelled."

The recommendation was forwarded to the Department of Transport and it is my understanding that the licence bearing that limitation has been granted. Station CKUA, through Dr. Newton, president of the University of Alberta, has entered a protest against this ruling and the letter will come before the next meeting of the Board of Governors.

Q. Have you any idea how they can tell whether or not they would be taking business from CFRN, or what the limit would be? I suppose any business they did the other station could claim is their business. I am not saying CFRN should not be allowed to hold its commercial business because it is serving a very useful purpose in Edmonton; I am not objecting to that, but I am just wondering how you would arrive at the limit that CKUA could do; how would you tell which commercial contract should go to CFRN and which to CKUA; is it practical; would they be able to live up to the terms of it?—A. I cannot answer that question, I am simply reciting facts.

By Mr. Hansell:

Q. Licences are not granted on the basis of whether or not business shifts from one station to another, are they?—A. The Board of Governors recommended this licence, I am simply reciting facts. I cannot tell you how it will operate.

Q. This much is certain, all private radio broadcasting is done on a competitive basis, is it not?—A. Oh, yes.

Hon. Mr. LaFLECHE: I cannot add anything to what Dr. Thomson has said, but I have the idea that that particular amount was arrived at on the basis of what was required to sustain on that basis.

The WITNESS: I am glad to support what the Hon. Mr. LaFleche has said.

Hon. Mr. LaFLECHE: It is a supposition, but I have it clearly in my mind.

The WITNESS: It is not a supposition, if I may say so, it is an entirely correct statement. I was not dealing with that particular aspect. If I may just go back, station CKUA, to all intents and purposes, has a board of directors under the University of Alberta. They are not anxious to go into the commercial business if it is at all possible to avoid it, and if they do go into the commercial business it is simply to pay for operations; they are not interested in making money, the primary objective is still educational broadcasting. When President Newton came before the Board of Governors he was asked how much he thought it would take to operate the station, and he mentioned in round figures about \$25,000. That is how the sum of \$25,000 was arrived at. As for

the limitation that they are not to take any business away from station CFRN, I am simply reciting facts; I do not think it is competent for me to say anything more.

By Mrs. Casselman:

Q. I have heard from one of the members of the board of administration, not from Dr. Newton himself, that they are not satisfied with it, and you say yourself that Dr. Newton is still questioning it.—A. He has written a letter.

Q. On what basis?—A. He says on two grounds. It is a matter which I suppose I can divulge; it is in a letter written to the Board of Governors and will come before them at the next meeting. He is basing his objection on two grounds, one, the issue of such a licence is illegal, and, secondly, that it is unworkable.

Q. I do not see how it would work out; he says also it is illegal?—A. He says so in his letter.

By Mr. Hansell:

Q. I cannot understand why the question has particular reference to taking business away from CFRN; why would it not include taking business from the other station?—A. The other station is on the C.B.C. network, and consequently they have a very considerable amount of their business through that connection. Station CFRN is not on the C.B.C. network, consequently they are entirely dependent upon their own direct individual resources for securing commercial business.

By Mrs. Casselman:

Q. CKUA carries C.B.C. programs?—A. Yes.

Q. They would have a revenue from that source?—A. No, only sustaining programs; they do not carry any commercial business.

MR. HANSELL: Mr. Chairman, I am on two committees and they cannot get a quorum on the other one, so I have been requested to come down to help them. Will you excuse me, please?

By Mrs. Casselman:

Q. Personally I would like to see CKUA continue its work, I am very anxious to see it continue its work because it has been a very large factor in the educational and cultural life of the province. I hope they can come to an amicable settlement of their difficulties. I do not know that I should like to press it any further than that because I know CFRN does good work in the city as well because of the local talent it encourages there.—A. I should like to support Mrs. Casselman in that regard. Station CKUA has done splendid work, they have carried on a splendid educational program for a number of years and station CFRN is also a very satisfactory station, they do splendid work in that community.

Q. Would there be any possibility of some of the C.B.C. programs, commercial programs, going to CFRN?—A. Well, that raises problems; we do not like to have more than one basic outlet in any one community.

Q. There has been some talk of a second network. Is there any likelihood in the near future?—A. It is under discussion at the moment.

Q. That would go through CFRN rather than CKUA because it is commercial, would it not, or have you any idea?—A. These are problems that have to be settled. I would not like to decide upon such a matter.

Q. I hope that Dr. Newton will get a fair and favourable hearing when he comes down here.

By Hon. Mr. LaFleche:

Q. Dr. Thomson, which station was established first at Edmonton, CKUA or CJCA? I think that is a point that would be of some interest.—A. I have not that information on hand.

Mrs. CASSELMAN: I think CJCA, the commercial one, was there first, and the university one came in later.

The WITNESS: I am informed that station CJCA was the earlier establishment.

By Hon. Mr. LaFleche:

Q. Could Dr. Thomson tell us whether the approval of the \$25,000, under the conditions as stated, in his opinion met Dr. Newton's request substantially? —A. I think the \$25,000 was acceptable; it was the limitation with reference to station CFRN that caused him the embarrassment.

Q. Was that an obstacle that came up after the discussion before the Board of Governors?—A. Which obstacle?

Q. The condition of not taking any business away from the other station.—A. The procedure at the Board of Governors is that parties making the representation in connection with any business, including the granting of licences, are heard, and the board decides after all parties have been heard.

Q. When I first heard of it I had the impression, not having been at the meeting of the Board of Governors, of course, that the request of the University of Alberta had been very nicely met. I just leave that as a thought.

Mr. Ross: Mr. Chairman, I read with great interest—

The CHAIRMAN: Are you going on to another subject?

Mr. Ross: It is the same subject, the question of broadcasting. I am sorry I was not able to be here at the last meeting when the general manager gave some of his reasons why the Right Hon. Arthur Meighen was not allowed to speak on the radio.

The CHAIRMAN: May I just ask a question in connection with this Edmonton affair?

Mr. Ross: I beg your pardon.

By the Chairman:

Q. Dr. Thomson, to all intents and purposes are there just two commercial broadcasting stations in Edmonton?—A. At the present time, yes.

Q. Is there not enough business in Edmonton for both CKUA and CFRN to do on a competitive basis, without restricting the amount that one station may have and leaving the other one open to get as much commercial business as it can get? Edmonton is a growing city and is going to be greater with new aviation developments; at least, that is what its residents predict for it.

Mrs. CASSELMAN: Yes, we feel sure of it.

The WITNESS: Again, Mr. Chairman, I am telling you what the Board of Governors in its wisdom decided. The representations were made to the Board of Governors by station CFRN, all the facts were considered by the Board of Governors and that is what they decided. I am not competent to say whether there is enough business in the city of Edmonton to support three stations or not.

By the Chairman:

Q. Is it not a fact that your officers should be competent to give you the advice independent of a private station as to whether or not that business exists in that particular territory? Further, I should like to ask you is it a matter of policy of the C.B.C. with reference to granting licences to new private

stations that they do not take business away from an existing station? If it is then in my judgment you have got a restriction there that does not obtain in other lines of business that are supposed to be competitive.—A. I can only say what the Board of Governors did; I am not a member of the Board of Governors, I am their executive officer.

Mr. HANSON: That is a question for the chairman of the Board of Governors, Mr. Morin, to answer.

The CHAIRMAN: The executive officer is very often the adviser to the board for which he works.

Mrs. CASSELMAN: I thought I should bring it up.

The WITNESS: I do not think it can be held that I make the decisions of the Board of Governors; I think that would be a very unfortunate conclusion to arrive at.

Mrs. CASSELMAN: I brought it up so Dr. Thomson could give us some explanation of it, and if other members of the committee feel as I do, that there should be further consideration given to the presentation, Dr. Newton is coming down again and perhaps Dr. Thomson would give our opinion, if it is the opinion of the committee, that further consideration should be given, because it does not seem to me to be a workable contract.

The CHAIRMAN: I suggest that it is a matter which could be gone into later on when we come to deal with private broadcasting stations.

Now, Mr. Ross, would you like to proceed with another matter?

Mr. Ross: I want to say a few words. Unfortunately I was unable to be here at the last meeting and I am not at all satisfied with the reasons given why the Right Hon. Arthur Meighen was not allowed to use the radio. In the first place it is said that it was a political speech. I suppose to a certain extent it would be a political speech, but any speech he would make possibly would be in criticism of government policy, which would be quite fair. It would not be a partisan political speech or anything of that kind. At that time he was the leader of a great party in Canada and I think he was entitled to have the use of the air at that time.

Let us take the example of the country to the south of us. They had an election over there and before the election they had a Republican convention. The proceedings of that convention were given to the people of the country without doing very much harm. The Democratic party did the same thing. We had a big convention of the Conservative party in the city of Winnipeg, and many people in this country would have liked to have heard the proceedings and would like to have heard from the retiring statesman, the Right Hon. Arthur Meighen.

Mr. ISNOR: What do you mean by the speech delivered by the Right Hon. Mr. Meighen; are you referring to the Winnipeg convention speech?

Mr. Ross: Yes. He requested the use of the air to speak to a great party of Canada from which he was retiring as leader.

Mr. ISNOR: Are you now referring to the minutes and proceedings of the radio committee?

Mr. Ross: Yes; I read from those proceedings some of the things that were said at the last meeting.

Mr. ISNOR: What number?

Mr. Ross: No. 4. As far as that is concerned it is a matter of principle rather than anything else. As I understand it, both Mr. Murray and Mr. Thomson were of the opinion that this was rather an important question and resolved it should be decided by the Board of Governors of the Canadian Broadcasting Corporation. Well, upon that basis did the Board of Governors decide a matter of that kind? After all, this is a free country. Does it mean that just

because somebody who is going to speak over the radio is going to speak possibly in criticism of the government they are going to be refused the use of the air? I think they should be given the right to speak over the air if there are certain things which the government, in the opinion of the people, has not done which it should have done. There is no reason in the world why these people should be deprived of the use of the air. I do not see any reason why Mr. Meighen was deprived of the use of the air. Now, as far as controversial broadcasting and political broadcasting is concerned we have the white paper. How do we know it was what might be called "political broadcasting"? On the other hand I should like to draw your attention to something that was said by the Right Hon. Arthur Meighen in the speech that he made. I notice that the gentleman who made this speech that Mr. Meighen was criticizing is still making speeches. I should like to know what has happened to him. I refer now to Mr. Watson Thomson. Mr. Meighen in his speech at the Winnipeg convention, talking about controversial broadcasting, said this: "In this speech Professor Thomson went the length of besmirching, in the middle of war, the fair name and honour of Britain; left no inference other than this, that Britain was in the position of an oppressor and exploiter of India, and that Canada—Canada—should take her place in the ranks of those who are going to set Britain right, who are going to strike down the iron hand of Britain; from oppressing the natives of India and exploiting them for her own benefit! Oh, he says, that nation betrayed Czechoslovakia; betrayed Spain; betrayed China; and he went on speaking over a government broadcasting system, under the auspices and in the pay of a government commission—he went on to point his finger at men who, he said, betrayed Czechoslovakia, Spain and China, and to reprimand the people of Britain for leaving some of them in office to this day!"

Now, that is a pretty serious thing to have said, Mr. Chairman, and as far as I know it is extreme. I have never been able to get a copy of the speech myself. Mr. Meighen has it, I have not got it from him. That is a pretty serious charge which comes from a man of Mr. Meighen's calibre, and as far as I know nothing has been done about it. Is it a controversial speech? I just ask you, Mr. Chairman, is that a controversial speech? Is it the right kind of speech that should be made over the radio of Canada when a great statesman like Mr. Meighen is refused the use of the air? Yet we find a man in the pay of the government who speaks on a subject which is so controversial as that. I certainly do not think it is right that it should be done in war time. May I go a little further? The danger that I see in connection with freedom of the air, as far as Canada is concerned, hinges on the decisions which may be made from time to time by the Board of Governors of this country. As we all know, today the Board of Governors of this radio corporation are of one political faith. That is what they are.

THE CHAIRMAN: You mean the Board of Governors of the Canadian Broadcasting Corporation?

Mr. Ross: Yes. They are all of one political faith. I do not care how impartial they try to be, you find some of them are pretty dyed-in-the-wool-Liberals. We see, for instance that one gentleman is president of the Liberal Association of Ottawa. I do not think that a man who is so politically minded as that should be on the Board of Governors. I make a suggestion, Mr. Chairman, that the Board of Governors be changed so that it comprise all members of all political faiths of this country, in order that when matters of this kind come up for decision they will be decided in an impartial way. I am not saying that they are not now deciding altogether in an impartial way, but there will be more assurance anyway to the people of the country that they will be decided in an impartial way.

There are two things I should like to say. At the last meeting one honourable gentleman asked this question: "What is controversial broadcasting?" Dr.

Thomson said, "It is very difficult to decide." Well, now, who is going to decide whether it is controversial, whether it is political, or whether it is something that should be said? As I said before, are only things to be said that are favourable to the government? Is no criticism allowed to go out over the air, over the people's radio broadcasting system? I think that is something that must be decided better than it has been decided before. Dr. Thomson in his statement at another meeting here said he thought that these discussions of one kind and another from time to time were good. I also think they are good. I think the people should know more of what is going on than they do. The only people who have the use of the air politically these days are ministers of the Crown and the Prime Minister. I think it is perfectly right the Prime Minister should have the use of the air in order to try to exhort the people of this country to more effort. I think it is right also that the ministers should have the right, but it is very difficult for any minister, as a matter of fact, to make an address over the air these days without being partisan. I think it is perfectly right that the other parties should have the same privileges on the air as the ministers have.

Just one thing further in connection with this matter. I feel very strongly about it. I refer now to the question of the dissemination of news which is collected through the agencies of the C.P. and B.U.P., and also the dissemination of political news over the radio, which is collected, I suppose, in the same way. Who selects the news that is to go out over the radio? Cannot anybody see the tremendous danger that there might be from political news being selected by somebody who is very partisan?

Mr. ISNOR: What is your point? Do you say there is too much of any one party news?

Mr. Ross: No—there might be.

Mr. ISNOR: Which political party in Canada at the present time is receiving that kind of treatment, would you say?

Mr. Ross: I am not criticizing anything about—

Mr. ISNOR: There must be some point to your argument.

Mr. Ross: The point is the danger in it.

The CHAIRMAN: Order; this is not a debate. Direct your questions to the witness.

Mr. ISNOR: I think you should clear up a point like that.

The CHAIRMAN: With the permission of the man who has the floor you may ask the question, but we do not want you to enter into a cross-fire debate on it. Mr. Ross is directing his questions to Dr. Thomson. We want to take advantage of Dr. Thomson's presence here, and, while Mr. Ross may be making a good deal of comment upon what he is saying, he does at times direct questions to the witness, and we want to try to keep track of them and have them answered.

Mr. Ross: I am not making criticism of the way the news is disseminated at the present time, that is farthest from my mind. I think up to the present time it has been very fairly mixed up amongst the parties, but I am pointing to the danger in the future. I think that is something that needs to be very carefully guarded and watched, as to how that political news shall go out over the radio. I think the other members will agree with me in that. I think that is about all I have to say at the present time.

The CHAIRMAN: Mr. ISNOR, do you wish to make any comment now with reference to the question?

Mr. ISNOR: I do not see that I have very much to say with regard to the news items; I was just wondering as to why the question of criticism has again

come up as to the policy of the Canadian Broadcasting Corporation in turning down the request for permission to broadcast the proceedings of the Conservative party convention, to broadcast the speech made by the Right Hon. Mr. Meighen at the Winnipeg convention. That was well answered, I think, on a previous occasion by the general manager, during which he outlined the policy and the reason why it was refused. It was also rehashed along the same lines in the Senate and it would almost seem to me, Mr. Chairman, that we have gotten along so nicely without bringing politics into the work of this committee that it is unfortunate it should be brought up at this time. The C.B.C. is not a government broadcasting corporation; it is an independent body set up by the government to handle or carry on the broadcasting in our country. But from the remarks of the honourable member one would be led to believe that politics entered into this thing, and that is why the C.B.C. refused to allow this political speech to be made over the air in a public place, which is against the policy, as I understand it, of the C.B.C.

Mrs. CASSELMAN: Regulations drawn up by all parties.

Mr. ROSS: How do you know, Mr. Isnor, it was a political speech or would have been a political speech? On the other hand, as I tried to suggest, it was a speech made by a statesman of Canada who was retiring as leader of a great political party, and I suggest he was entitled to the use of the air.

Mr. ISNOR: I think he received the air.

The CHAIRMAN: Dr. Thomson, do you wish to comment?

Mr. ISNOR: I should like to say a word. Mr. Ross asked me how I would know it was a political speech. I understood it was a political convention and he said that it would no doubt have been a political speech, and for that reason I naturally assumed it was a political speech.

The WITNESS: Mr. Chairman, there are two matters that have been raised and I have very little to say in addition to what I said at the last meeting. May I be allowed to say one thing? First of all, I was a member of the Board of Governors until last October. It has been suggested by Mr. Ross that it is well known that all members of the Board of Governors are of one political faith. I have not been and am not now a member of any political party in this country, and I have never been identified with any political party either openly or in any other way. I can only state that for myself.

Mr. ROSS: I accept your statement.

Mr. HANSON: Why do you make the insinuation if you accept the statement?

The CHAIRMAN: Order, please. Allow Dr. Thomson to continue.

The WITNESS: With regard to the actual proceedings at the Winnipeg convention, I think it should be clear what exactly was the nature of the request that was made. There was never any request made that the actual proceedings of the convention should be broadcast. If such an application had been made it could not have been granted by the censorship regulations of Canada, which forbid any speech to be made from any political public platform and broadcast over the air. The request that was made was to have two preliminary broadcasts made, drawing attention to the convention and also giving some kind of information to the people of Canada about the new policy that had been adopted by the Conservative party at the Port Hope meeting. I think undoubtedly it would have been a political speech. It was delivered by a political leader prior to a political convention, and undoubtedly it would have been a political speech. I have nothing more to say than that; as to the reason why the Board of Governors decided it should not be given I have nothing to say except to intimate the decision.

With regard to the second point about the news, I am reading now from the directives we have issued to our news staff. "Directive 14, 17, Impartiality. Domestic political news must be treated with absolute impartiality. In controversial stories both sides of the issue must be given with equal emphasis." All I can say is that I have very great confidence in the news staff of the Canadian Broadcasting Corporation. We have a senior news editor who impresses me continuously with his sense of very great responsibility. We endeavour to take the very greatest care in presenting such items, and unless there is any specific charge being made I think I would like to say that we fulfill this difficult duty with a great sense of responsibility and discretion.

Mr. Ross: I made it clear I was not making any specific charge, but I said there was a danger there and I wanted to see it safeguarded and I am sure it will be done.

Mr. BERTRAND: May I just touch upon one point? Dr. Thomson in his first answer said that during the war there should be no political speeches and left it there. Probably it should be put this way: outside of election time.

The WITNESS: To what are you referring?

Mr. BERTRAND: To the answer you just gave Mr. Ross and Mr. Isnor. You said no political speech should be broadcast during the war. To that I would add "outside of election time."

The WITNESS: I am grateful for your correction.

Mr. Ross: The other question I dealt with was the subject of a speech made on the radio by Mr. Watson Thomson. The part I read was taken from the speech made by the Right Hon. Mr. Meighen where he quoted from the speech or interpreted the speech of Mr. Watson Thomson.

By Mr. Ross:

Q. Have you read the speech?—A. Oh, yes; I have also read what he said about myself.

Q. I am asking if you read the speech that Mr. Watson Thomson made over the radio?—A. I have read the script.

Q. Have you any comment?—A. I can only say what I stated in my original submission on news commentators.

The CHAIRMAN: It is to be found in the minutes of proceedings and evidence No. 2, dated Friday, June 11, 1943, at page 28.

The WITNESS: Thank you for your help. I am reading now from pages 28 and 29 of proceedings and evidence No. 2: "It is of the very essence of such news commentating that there should be freedom and discretion allowed to the commentator. So long as he exercises this liberty with a proper sense of responsibility, he should be allowed to express what he judges to be the most important phases of the widespread fields of operation." As long as a man exercises his office with a sense of responsibility we allow him very considerable liberty of speech.

By Mr. Ross:

Q. Does the speech of the Right Hon. Arthur Meighen properly interpret what was said in that speech?—A. I am not able to answer for the Right Hon. Arthur Meighen's interpretation of the speech.

Hon. Mr. LAFLECHE: May I ask a question if Mr. Ross is through? I was not quite certain whether Dr. Thomson said that there had been no request made to broadcast the proceedings of the Winnipeg convention.

The WITNESS: That is correct.

Mr. Ross: I am not sure that I said the whole proceedings should be broadcast. What I did say was the proceedings of the two meetings in the United States, the Democratic meeting and the Republican meeting, were broadcast.

Hon. Mr. LAFLECHE: May I say, in regard to a point raised by Mr. Ross, that as far as I know and believe the ladies and gentlemen appointed to the Board of Governors of the Canadian Broadcasting Corporation have not been appointed because of their political faith. That has not been the reason at least in any nominations for which I am responsible; and I want to say something more, that I truly could not say what the political faith of this or that person on the Board of Governors is, I do not know, I have never inquired, and I do not intend to, if I may put it that way. May I make another comment about the news broadcasts? Mr. Ross said there was a danger existing in the arrangements made to give the people of Canada the proper news and timely news. Possibly there is a danger, but I do not see how any arrangement can possibly be made where you would not have the danger of some unworthy person abusing his position. Then there is the question of what does go out over the air through the instrumentality of the two press associations. I speak for myself now and I think it applies to everybody. It is largely a matter of personal opinion on the part of the hearer. Let me illustrate. I recall when the C.B.C. announced the resignation of the Hon. Humphrey Mitchell from the War Labour Board I inquired and was quite satisfied that the impression upon me was due to the necessity of being brief on the air. The impression I had was that the news item was to the effect that Mr. Humphrey Mitchell had rather been forced off the board; whereas he was not; and I knew very well that Mr. Mitchell resigned of his own accord for the stated reason that he did not have the time to do the job and he did not want to be in a dual position as one duty might conflict with the other. I give that as a very good illustration. I believe when the press people announced the news they should have said he resigned of his own accord rather than allow the gentleman to be placed, in the eyes of the public, as one who was forced off the National War Labour Board. I give that illustration in all good faith because it is one of several that have come to my attention.

With Mr. Ross I have heard news over the radio which to me, perhaps because I knew the facts, was not satisfactory or was not entirely satisfactory; but I am afraid we will always have these things and we can only insist that people deal conscientiously and as fully as possible with the news. May I say again, I do not know of any other arrangement which would be fair from the point of view expressed by Mr. Ross.

Mr. Ross: I did not bring it up as a matter of criticism. As I say, I think the news which has gone out over the radio in this country has been very fair. I recollect what the minister said just now. That the impression in my mind as well when I heard the news, but I do want to impress on Dr. Thomson—he probably knows it, and it may be I am doing it unnecessarily—that there is a danger and it is one of his departments that has to be looked after with great care. I think up to the present time it has been very well done.

Hon. Mr. LAFLECHE: The news that goes out over the C.B.C. comes from reports made by the press associations, and I am sure they will continue to show impartiality.

Mr. Ross: In the limited time at their disposal I do not imagine the C.B.C. can get in all the stuff that comes from the Canadian Press and the British United Press, and therefore somebody has to select it.

The WITNESS: It is never done by an individual, if I may say so, it is always done in collaboration; it is a teamwork project we check and countercheck; we exercise a very great sense of responsibility in these news broadcasts.

Mrs. CASSELMAN: May I say I think the news broadcasts are exceptionally well done. I approve of their impartiality. I may just say that I have heard from different parties that they were not satisfied with them; and when you hear from members of different parties that certain broadcasts did not please them then you can be pretty well assured it has been impartial. Of course, one often gets the impression that there is something left undone, but that is inherent in anything that people do, it is inherent in our whole democratic system. When it comes down to the responsibility of the individual it is sometimes not as great as we could wish.

Mr. Ross: I have one further word and it is this: if the broadcast made by Mr. Thomson over the radio, which Mr. Meighen quoted and interpreted to a certain extent, is anything like what he says, then something should be done about it. Certainly no statement made by a man like Mr. Meighen should be allowed to stand without investigation at some time as to what went over the radio. I think things like that in war time do a great deal of harm.

By Mr. Isnor:

Q. I should like to ask Dr. Thomson a question in regard to the National Labour Forum. I have before me some of the talks that took place at different dates and in the talks or discussions labour has appeared in all cases; in some cases parties representing other interests have taken part. My first question is this: Dr. Thomson, who advises as to the selection of the personnel of the National Labour Forum as to whether it is represented either entirely by labour or other interests?—**A.** You mean the advisory committee?

Q. Yes.—**A.** The advisory committee is constituted by the two great labour organizations; that is, the Canadian Congress of Labour and the Trades and Labour Congress. Until lately, we had also associated with us the Workers Educational Association. They have had a slight difference with us and the invitation is open to them to return but they are not entirely in agreement with some of our policies and consequently they are, I would like to hope, in only temporary aloofness from our work. We have also represented on the advisory council the Canadian Association for Adult Education.

Q. Then there is no one who would be directly connected with industry from the owner's standpoint?—**A.** No.

Q. I raise that question, Mr. Chairman, because while I have not had the opportunity of following all the discussions I have listened to a good many of them and to me, to be quite frank, I think the views as expressed were almost wholly those of labour, and if we are to accomplish or bring about the results which we desire, particularly during war time and peace time as well, we should have two sides presented. Following the discussions I have noticed the closing announcement went something like this: "This meeting of the National Labour Forums is presented under the auspices of the Canadian Broadcasting Corporation with the co-operation of the Trades and Labour Congress of Canada and the Canadian Congress of Labour. Watch your newspapers for the next announcement of the National Labour Forum." Then it gives the National Labour Forum box number, Box 500, Toronto.

Now, I felt, after watching the recent review "Pull Together, Canada" where labour was represented by certain characters in a play or review and industry represented in a like manner, they were accomplishing a real purpose, creating a very much better understanding between labour and industry. I do think that the same thought could be brought into your National Labour Forum dis-

cussions. I think it would bring about a better understanding and I believe it would benefit our war effort to a great extent. I am passing that along as a suggestion to you, Dr. Thomson, and later on when I have had an opportunity of reading these copies that I have more closely I am going to bring up the subject again. I have no criticism to offer in regard to the part that labour is playing, but I do feel that industry coupled with labour could create a better atmosphere and a better understanding in regard to conditions which are facing us at the present time.—A. If I may add something, Mr. Chairman, the point that Mr. Isnor has brought up has been definitely kept in mind. The purpose of this Labour Forum is to give the workers' organizations of this country an opportunity in which to express their views to the people of Canada; and I find that the workers' organizations value this opportunity very highly, and that they consider it is rather a wonderful tribute to the public spirit and attitude of the C.B.C. in having the opportunity to do so. It is sometimes rather difficult to get representatives of the employing interests to speak. We have been successful, however, in getting precisely what Mr. Isnor has in mind from time to time. We have had, for example, Mr. Wilmot of the Milk Producers' Association; we have had representatives of the International Labour Office (of the I.L.O., which was connected with the League of Nations), we have had a works manager, we have had the president of the Ontario Property Owners' Association.

Q. That would be Mr.—A. Mr. Manning. We have had Mr. D. M. Young, the personnel manager of Lever Brothers, Limited, and in addition to that we have had the Minister of Labour himself. We have had representatives of the Wartime Prices and Trade Board, and we have in that way endeavoured to broaden out the interest of the broadcasts.

Q. Dr. Thomson, I am not criticizing except I can see an avenue whereby greater good could be done; in nearly every case that you mention, possibly with one or two exceptions, they have been more or less connected with labour organizations. I hold no brief for industry, I have never talked it over with them, or any representative of the Canadian Manufacturers' Association. In fact I have criticized the Canadian Manufacturers' Association on more than one occasion; but I was wondering whether you ever extended an invitation to the Canadian Manufacturers' Association to provide speakers to carry on discussions?—A. Yes, sir.

Q. What was their attitude?—A. They did not want to participate directly, at least, officially; they have no objection to any of their members appearing, but I think officially they regard this as labour's forum.

By Mr. Ross:

Q. The Chamber of Commerce?—A. I do not think any direct approach has been made to the Chamber of Commerce, but I have asked the opinion of the Labour Forum staff, "Why don't you bring an employer to discuss this?" They tell me it is very difficult to get the employer actually to go on the air and discuss these matters.

By Mr. Isnor:

Q. You mentioned Mr. Manning. I do not know Mr. Manning, never heard of him before I heard him over the air, that is why I asked for a copy of these talks. He was at the time I heard him answering Mr. Williams, and his words, as I have them here, are: "Now, you are saying, Williams, that after the war, the workers shall get back their privileges with a whole barrellfull of new ones thrown in, while management and property owners just lose all down the line." "Williams: That's exactly what I say. They've had things their own way entirely too long. I'll give the owners and managers of to-day, though, exactly the same privileges as the workers in my new society. If they conform and work for the good of all, I'll guarantee they won't be without food and shelter

and the right to vote!" I cannot see where expressions such as that are going to help the situation between labour and capital at this time. I quite agree my views may be contrary to those of members around the table here, and no doubt are different from some letters you have received. I will grant that, but I do feel if you are going to accomplish what I believe you have in mind in connection with the National Labour Forum, that you should have industry represented in a more definite manner than you have at the present time. I think that is all I have to say about that.

By Mr. Bertrand:

Q. Before we pass on may I say this: the other day I was asking a few questions about the English and French programs and in order to perhaps satisfy my own curiosity I should like to ask two or three questions at this time. For instance, would it be possible to supply this committee with information with regard to English and French programs on CBK, giving the number of hours? Probably this could not be done at this meeting, but it could be supplied for the next meeting.—A. It can be supplied.

Q. I should also like to know what changes have been made in the respective programs, the hours and so on in the last year and in the last six months.—A. That can be done.

Q. What are the respective programs and the hours, in French and English, on the different stations in the province of Quebec?—A. The English programs?

Q. The English and French programs in the province of Quebec.—A. That can be supplied, but I have not got it here.

Q. That is quite all right, the next sitting of the committee will be quite satisfactory.

The CHAIRMAN: Are there any further questions?

By Mr. Ross:

Q. I should like to ask one or two questions in this connection. First of all, I notice something about the "Trumpet Call." I saw a notice in the Ottawa Journal on Saturday of last week saying that it is going to be discontinued.—A. It will be discontinued on its previous basis. The particular program to which you refer is one that was largely sponsored by a local committee who were interested in school broadcasting, and it had a very successful season in this city of Ottawa, during the early months of this year when they gave a series of programs on the "Trumpet Call to Youth." Now, one has to look at these matters in a large national light. At the present time we are developing a very widespread educational program for the whole of Canada. Our policy is naturally to work in with the education authorities in the provinces concerned; they are the duly constituted authorities who are charged with education in the provinces and naturally we want to fit in with their program and to become literally part of the curricula. What I have said so far as the city of Ottawa is concerned is that no longer can educational broadcasting become a project of a very keen interested group who have no particular official relationship to the responsible authorities in the city.

Q. The Department of Education?—A. So far as the city of Ottawa is concerned you have your school board. There is the official school board and then there is the authority of the separate schools. Recently we had a meeting here reviewing the work for the past year, trying to put it on a more considered basis, and what we have said is, if this comes before the regularly constituted educational bodies we can consider it, but I think we would also think of this, that we are giving educational broadcasts to the whole of Canada and to make particular and special provision for one city, even as important a city as Ottawa, makes rather a large tax on our very limited staff. We had to give to

this particular project practically two members of our staff in the months concerned. Now, that is a good deal for one city in the whole of Canada when you think of the projects that you have to put on largely on a provincial basis.

Q. I should like to ask you another question along a different line. There are surveys made of the percentage of listeners to a station or to a program; I have forgotten the name of the organization that makes it.—A. The Elliott Haynes.

Q. Do you take those surveys?—A. Yes.

Q. So that you have up to date all the time what your listening audience is to any particular program?—A. Yes.

Q. It might be interesting to know just what some of your programs are, what your percentage of listeners is to some of those. What I am getting at is this: how high do some of your educational programs rate, for instance?—A. I think you may take it the general educational programs have not a high rating; they appeal to a limited group.

Q. I suppose your religious programs would rate somewhere along the same lines?—A. They are a little higher; again you are appealing to a particular group.

Q. I am thinking of your religious programs, your educational programs and your symphony orchestra programs.—A. You may take it that the symphony orchestra programs have not a very high rating.

Q. They have not?—A. Not a very high rating. If you were going to go on the most popular features you would cut out a great deal of very excellent broadcasting.

Q. Your problem is to keep some of these other features to hold your listening audience?—A. Precisely.

Q. It would be interesting before the committee rises if you could give us the rating of some of these programs like "Charlie McCarthy"?—A. Very high. Those very popular entertainment features have a huge audience, of course. I should like to say I am not sure that we are at liberty to disclose to this committee what is supplied to us as a private service.

Q. I suppose you are under contract?—A. We are under contract and it is confidential information. But I can give the members assurance that we follow that survey very closely.

Q. How is that paid for?—A. It is a contract service, a fee, and we pay for the service.

Q. How much does it cost you a year?—A. I have not got the exact figure.

Q. It does not matter, another time will do.—A. I think roughly about \$2,000.

Q. That is good enough.

By Mr. Isnor:

Q. Dr. Thomson, I think the C.B.C. has to consider its programs in a little different light from the networks in the United States. You are serving a nation in a way to be helpful from an educational standpoint and a religious standpoint, as well as providing entertainment; is not that so?—A. I think so.

Q. You do not go on what you consider the value of these—A. Of course, we could never proceed simply upon what are called "popular ratings", but we have to take that into account.

Mr. Ross: That pertains also to a certain extent to the private stations. They are not doing their duty unless they do that. Because they are commercial stations it does not mean they do not give service to the people of their communities. I think they give a very valuable service.

Mr. ISNOR: They do it in the same way as a business firm, when they arrive at a certain point above cost they do a certain amount of goodwill advertising.

Hon. Mr. LAFLECHE: Like doctors.

By Mr. Bertrand:

Q. Going back to the educational programs, is it the intention of the C.B.C. to organize the school programs that have been dropped for the time being?—A. I have stated that we are now endeavouring through co-operation with all the educational authorities across Canada to serve them in the best possible way, taking the whole of Canada as our field. It will be difficult, particularly with our limitations in personnel available to single out any particular city and say we shall give you a particular service. You can imagine how every city across Canada might come along and say we want the same thing. After all, we have done a very great deal for Ottawa in giving them this program for the past few years and we think possibly we should move on to somewhere else, but if Ottawa—and it depends upon the Ontario educational departments—can fit in with the general plan and if we have the personnel available we shall do our best to serve them.

Q. You agree these programs are very valuable?—A. Exceedingly valuable.

Q. You agree also that it would have a great value in the future if the young people had them?—A. Oh, very great value.

By Mrs. Casselman:

Q. Why could it not be passed from city to city?—A. We have to think in terms of provinces, not cities. If we began to think of going over all the cities in the country with educational programs we would be faced with extraordinary difficulties. When you are thinking of education from the national point of view you cannot get very far down below the provinces. For instance, we are conferring at the present time with the three prairie provinces; we are endeavouring to get them to co-operate together. So far as B.C. is concerned I am glad to say we have unlimited co-operation there. Down in the maritimes we have conferences with the three maritime educational departments; we have co-operation because we have CBA and can co-operate also with the private stations. In British Columbia we have the most complete co-operation of all with the provincial educational authorities.

By Mr. Isnor:

Q. Have you been in touch with the Department of Education in Nova Scotia?—A. Yes; in the maritimes we are trying to work in the three together.

By Hon. Mr. LaFleche:

Q. I take it there have been no complaints received about those programs?—A. On the contrary, sir, we have had nothing but praise.

The CHAIRMAN: We are trying to follow the sequence along which Dr. Thomson spoke, and we are now on the subject of education. Does anybody want to ask any further questions with reference to that subject, that part of Dr. Thomson's presentation that has to do with education? If not, the next subject is religious broadcasting.

Mr. Ross, do you know anything about that?

Mr. Ross: I had a thought in mind, but I do not know whether I should mention it or not. I noticed an article in the *Journal* on Monday where it was suggested that some of the religious broadcasts had been moved in order to accommodate Jack Benny. I was wondering if Dr. Thomson was responsible for it. I suppose the question of time enters in there.

By Hon. Mr. LaFleche:

Q. Have your religious programs been very well received? I am not putting words into your mouth—A. I have received lately, Mr. Chairman, from a diverse number of ecclesiastical bodies in this country, conferences, assemblies, synods, and committees, very complimentary communications and praise of what the Canadian Broadcasting Corporation is doing for the religious welfare of the Canadian people.

Q. Is there any complaint, I do not presume there is, but if there is any complaint is there anything that requires particular attention by way of satisfying the complaint? I have not heard of any complaint.—A. You cannot please everybody. There are some—not complaints—inquiries about time. As I mentioned, the time schedule across Canada is a very great difficulty. We are endeavouring to adjust these things, but by and large we have had wonderful success with our religious broadcasting, and, as I was happy to say in my original submission, what has given me the greatest pleasure has been the fact that all religious bodies in this country have been so happy to work together; it has been a marvelous achievement, the ecumenical spirit that has been developed; it has been a very great source of strength to us in doing this work, because if we get into religious controversy it would not be a very pleasant field.

By the Chairman:

Q. There is to be a very great religious demonstration here next Sunday, will that be broadcast?—A. No, sir. The difficulty there is that we have not got the recording apparatus that we could send out to take over the procession, and when they consulted me about it they could not give me any precise time; that is, the religious celebration that is to be held on Sunday called, I think, "Prayers for Victory." They could not give me any very precise times at which the procession would be here or here or here. Then, also, they came with their application rather too late, because one has to make precise commitments ahead with regard to programs.

By Hon. Mr. LaFleche:

Q. No broadcasting at all will take place on that occasion?—A. No, sir, not as far as the C.B.C. is concerned.

Q. I did not hear that they made an application. It will be a very great occasion for victory. I had not heard before that anything was being done with regard to broadcasting, but I would venture to say it would be well worth while to make extreme efforts to do something about it. I recall the Victory Mass said by His Eminence on the 9th of February, 1941, I believe, an astounding thing, a most satisfactory thing, and very very valuable. This will be another one something like it.

By Mrs. Casselman:

Q. I suppose some of the religious services that go over the air on Sunday will be along that line; some of the churches do broadcast on the local station, do they not?—A. We do not have anything to do with the actual arrangement in any locality.

Q. It will be brought to the people's attention in that way, I would think.

THE CHAIRMAN: It is pretty much local, I believe. Are there any further comments on that question? How about music, drama and the development of Canadian talent? These are three which may be taken up together. I am referring to pages 33 and 34 of volume 2 of the evidence, Dr. Thomson's statement.

By Mr. Hanson:

Q. Where does coverage come in? I asked the question the other day and I thought Dr. Thomson would be in a position to answer it now.—A. I gave no evidence on precise coverage.

Hon. Mr. LAFLECHE: You gave us the figure of 92 per cent coverage in Canada, I believe.

The WITNESS: Yes, but I cannot give any more details in particular areas.

By Mr. Hanson:

Q. Is it possible to increase that coverage reasonably?—A. I think Dr. Frigon dealt with that in his evidence, Mr. Chairman. He pointed out there are certain areas in this country, important enough (all areas are important), but they are rather remote and sometimes they present extraordinary difficulties for broadcasting purposes. I refer to such areas as the interior of British Columbia, where the mountainous character of the terrain makes it very difficult indeed to provide a complete coverage for any such country. Dr. Frigon in his evidence pointed out that through those relay transmitters, putting relay points along the line, we are actually endeavouring to overcome the technical difficulties that are involved. Then you come to another area such as northern Ontario, where you have terrain of a very difficult character. I believe that is because of the large mineral deposits in the country. That is an area where you cannot get any extensive coverage at all. There again we are endeavouring to overcome the technical difficulties which are involved.

Hon. Mr. LAFLECHE: I should like to refer to British Columbia particularly and also just to the south and to the east of James Bay and north-eastern Quebec, as well as the north shore of the St. Lawrence, I am not sure about the Gaspé peninsula; but in view of the war that is going on—I do not care to say anything more than that, the possible necessity of watching that situation most carefully and, indeed, going to some sacrifice to provide means of communication to the general public—I do not care to say more than that, but I would like to leave the thought with you.

By Mr. Hanson:

Q. The question I asked on the 11th of June was along the lines of the coverage in British Columbia. I am now looking at the map that was presented this morning and I notice that south British Columbia is very well taken care of according to this map, and up to Prince George. I should like to know if there is anybody out in British Columbia looking over the situation north from there? Do you intend to go out yourself? You know the difficulties and you know how to cope with the difficulties. Is somebody going out there to investigate to find out what can be done?—A. Mr. Chairman, I am not a technical expert in any sense of the word, it is more Dr. Frigon's department, but it is the intention of both Dr. Frigon and myself, if we can find the time, and we hope to do so, to be in British Columbia before this summer is over, and we are going as far as possible to see exactly what the conditions are. The difficulties, I think, have already been explained to the member. There is no line into Prince Rupert to carry the network.

Q. The same line that has been established from Vancouver to Prince Rupert of course has been completed up to Prince George, the same line is going to the coast?—A. Yes.

Q. Is it the intention to try to make use of the line by the C.B.C. from Prince George to Prince Rupert?—A. If it can be done. It is difficult to get material at the present time. There is considerable limitation on the actual wire material that is procurable.

Q. As long as you have it under consideration and are going out there yourself, I think that is probably all I have to say. I hope that some solution can be found when you get out on the ground and that it is taken care of, because, as I said last week, there are 30,000 people there and probably twice as many people in the territory at the present time. I will leave it at that with the hope that something will be done.

HON. MR. LAFLECHE: May I say if anything is to be done in British Columbia there is every reason in the world to do it as quickly as humanly possible because there is always the risk of red war there, and I mean that.

THE CHAIRMAN: Are there any further comments or questions dealing with drama, discovery and developing of Canadian talent, childrens' programs and entertainments?

By Mr. Hanson:

Q. Is Mr. Farrell on the staff now?—A. Mr. Farrell has never been on the staff; he was an occasional speaker until the end of last year and then it was felt that he had had a large opportunity to give his addresses to the Canadian public and that possibly there might be a change in interest leading to the invitation to another speaker; that was done.

Q. He is not on the air?

THE CHAIRMAN: He has been picked up by a private station; he is working for a private station.

MR. HANSON: I know there was some controversy over him last year, some people liked his speeches and some people did not.

By Mr. Isnor:

Q. He is not included in that panel?—A. He never was on the rotating panel of news commentators; he was invited to give special Sunday morning addresses which he gave for a considerable length of time and we felt that perhaps the time had come to introduce another series, and that was done.

By Mr. Ross:

Q. How does Canadian drama rate as far as the listening audience is concerned, Canadian drama developed under the auspices of the C.B.C.?—A. We have a number of dramatic presentations and they hold their own; it varies from the point of view of the time it is put on and the actual interest in the drama, but these dramatic presentations hold their own, I think.

By the Chairman:

Q. Have you improved upon your methods or changed your system with reference to obtaining information as to your listening public over the last two years?—A. No, sir. That is a department of our work that perhaps we should develop a little more. We are dependent upon three sources, first of all the Elliott Haynes surveys, which are useful up to a point; that is to say they are conducted largely upon the basis of telephone inquiries, which, of course, confine it to urban areas to a large extent, and also to the number of people who possess a telephone. Then, secondly, we have an estimate of the interest that is aroused in our programs by the amount of mail we receive. That is not very scientific because sometimes it is in the way of a complaint, sometimes it is in the way of an appreciation sometimes in the way of inquiry.

MR. ISNOR: May not a good deal of them be manufactured, as it were?

THE WITNESS: I think a good deal of it is bona fide mail. We are always delighted when people write, because it shows that they are interested enough to write a letter even if it is a complaint. The third way is by our staff going

across the country and talking with people, trying to get the feel of the public pulse, and thereby to get a kind of general reaction. We have lately taken into consideration what might be called a research department. The big American organizations have what they call such a department that is engaged all the time in trying to survey the actual effect of their programs. It is difficult to do anything in the way of expansion at the present time. You know that there is a shortage of manpower in this country and it is difficult enough to carry on present operations, and a considerable number of our men are in the callable ages, going into the services. If we can maintain our present operations we will feel very well satisfied, but we definitely have in mind the setting up of something in the nature of what might be described as a research organization inside the corporation work.

By the Chairman:

Q. Have you ever taken advantage of your having such a great number of licence distributors throughout the country and that at the time of the renewal of the licences you might have a questionnaire through which you could get an expression of opinion throughout the country as to what people think of the different programs? Now I make that suggestion because it is a method that might be used and it would be entirely voluntary and would not interfere with people obtaining a licence. It is one time in the year where agencies of the corporation have contact with the people. For instance, post offices and banks would make out the application for the renewal of licences, and when the applicant gets the licence would that not be a very advantageous time to give him the questionnaire in an envelope which he could answer and send in to the corporation. Do not forget that every year you are dealing with a million and a half or more people, and to me it seems an opportune time to get information with reference to the different programs and their degree of good or bad reception, and the acceptability of those programs to the people. I think perhaps you might take that into consideration.—A. May I make one small correction, Mr. Chairman? You said in the collection of licences, agencies of the corporation were in touch with the people. The corporation does not collect these licences.

Q. If they are not agents of the corporation at least they have connection with the corporation in that they are the people who collect the money which ultimately goes to the corporation.

Hon. Mr. LAFLECHE: This arrangement could be fixed up if the corporation put forward the suggestion.

The WITNESS: I think it is an excellent suggestion and I thank you for it.

Mr. ISNOR: Business firms are operating something like that. I think it is an excellent suggestion. You go into a restaurant and you turn over the menu and you see an opportunity given to you to make suggestions.

The CHAIRMAN: I think it would be one opportunity that should be taken advantage of.

Mr. ROSS: I think one indication of the increase in the listening audience is the increase in the commercial fees. In 1942 they were \$1,019,000, this year they were \$1,204,000. There you have an increase of \$200,000.

Hon. Mr. LAFLECHE: Is not that only for part of the year?

The WITNESS: No, sir.

Hon. Mr. LAFLECHE: There are more licences sold now than ever before.

The WITNESS: Yes, steadily going up.

Mr. ROSS: I was talking about commercial fees. The commercial people are willing to pay money to do the advertising over the radio, willing to pay \$200,000 more that last year, so the listening audience must have increased to

justify that. I think the idea of the chairman about the questionnaire going out with the application for licence is a very good one, and I would suggest that it be made not too long.

Hon. Mr. LAFLECHE: Mr. Telford and I were looking at this Canadian broadcasting network map gotten out by the engineering division on the 8th of January this year. We noticed that nothing is shown on this map with regard to Newfoundland. I wonder if anything could be said about any arrangement in regard to Newfoundland, which is a neighbouring dominion.

The WITNESS: Well, of course, Newfoundland is not within our territory.

By Hon. Mr. LaFleche:

Q. Granted.—A. And our Act only empowers us to broadcast within Canada. However, I should say that representations have been made to us through the High Commissioner in Newfoundland asking if we might be able to do some service for the people there. To a certain extent our programs are heard, but not in an entirely satisfactory manner, and certainly not in any way that covers the whole island. We have taken up with the responsible parties the question of hiring a beam on the wireless to send in particular programs from time to time. There has been a good deal of technical difficulty, the Marconi people tell me, in the actual operation of the beam. When I inquired, after I received the application from the High Commissioner through the Department of External Affairs, I found that the operation of the beam service had not been entirely satisfactory and certainly for the carrying of a continuous program would hardly be counted adequate; also that particular service under stress of war is pretty fully occupied and there would be a very severe limitation upon the amount of service we could give. The only other alternative would be by means of a submarine cable to Newfoundland and I am told that that particular method of carrying programs is not satisfactory and, in any case, the cable is not available.

Q. Not just now.—A. No.

Q. Do your remarks apply in part or fully to Labrador?—A. I have never had any inquiries, sir, about serving Labrador. I imagine it would present extreme difficulties.

The CHAIRMAN: Now, gentlemen, that will conclude our session for to-day. I would respectively ask the members of the committee to familiarize themselves with the rest of Dr. Thomson's presentation from page 35 on. You will notice from page 35 on has to do with organization, overseas units, short-wave broadcasting, and that finishes the statement.

Tomorrow we shall meet again at 11 o'clock. Be prepared to continue with Dr. Thomson as the witness.

Mr. HANSON: I should like to have the number of licences issued for each province, the same as we had last year.

The WITNESS: You would need to apply to the Department of Transport for that; it can be done.

Mr. HANSON: I should like to have it on the record.

The Committee adjourned at 1 o'clock p.m. to meet tomorrow at 11 a.m.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 2, 1943.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Before we proceed with the business of the meeting, I wish to read a communication from the Canadian Council of Education for Citizenship. It reads as follows:

SHAWINIGAN FALLS, Que.

June 30, 1943.

Dr. J. J. McCANN, M.P.,

Chairman of the Parliamentary Committee on Radio Broadcasting,
Ottawa, Ont.

Dear Dr. McCANN,—At a meeting of the Executive of the Canadian Council of Education for Citizenship, a body representative of all departments of education and all dominion-wide organizations interested either directly or indirectly in educational work, the following resolution was unanimously adopted and I was asked to forward it to you for your consideration:—

Resolved that the Canadian Council of Education for Citizenship, conscious of the great value of radio in the field of public education, and in view of the fine services rendered by the C.B.C. in this field, urge upon the government that the facilities for such work be extended as far as possible.

Yours sincerely,

CANADIAN COUNCIL OF EDUCATION FOR CITIZENSHIP

C. N. CRUTCHFIELD,

Honorary Secretary-Treasurer.

I am sure you are interested in that, and I think it ought to become part of the record.

I think we may now continue with comments, observations and the questioning of Dr. Thomson. If we follow the line of his presentation, we have come to the part that has to do with organization. Or does anybody wish to ask any questions on what has preceded that?

Mr. HANSON: Mr. Chairman, last year I think the manager at that time gave a kind of resume of the organization, for the benefit of the committee. He gave what it consisted of in the way of personnel, how many there were, and so on. I think he said last year that it was not in the public interest to give the salaries paid in connection therewith. It might be of interest to the committee to have a breakdown of the personnel of the whole organization.

The CHAIRMAN: Do you wish that now or later?

Mr. HANSON: It comes in under the heading of organization, does it not?

The CHAIRMAN: Yes. We could take that now or when we come to the financial end.

Mr. HANSON: Whatever you wish, Mr. Chairman.

Mr. ISNOR: I was going to couple up my thoughts with what Mr. Hanson has said, if it is agreeable to Mr. Hanson. The report as presented by the general manager is quite full, and covers various subjects. Unless there are questions to be raised under the various sub-headings, we might, after having considered them, pass and approve them. We might go along with the various sub-headings until we come to the section on shortwave, which is the last, and then the financial statement. Under that, we could deal with organization and other matters arising from the financial statements. I think that would save us a lot of time and save the officials a lot of time in attendance.

The CHAIRMAN: That is quite all right.

Mr. HANSELL: Are we discussing organization now? Is that the point which we have reached?

The CHAIRMAN: Yes.

Dr. JAMES S. THOMSON, General Manager, Canadian Broadcasting Corporation, recalled.

By Mr. Hansell:

Q. I notice in Dr. Thomson's report there is not a lot said—in fact I do not think there is anything said—in respect to the large discussion that went on last year regarding the general organization of the C.B.C. from the standpoint of the Board of Governors. What is stated here is the mechanics of the inside of the organization, which I think is all good. What I have in mind to ask is this. I suppose Dr. Thomson has read the debate that went on when the committee was chosen. At that time I raised the matter as to whether or not a different organizational set-up would be advisable. I referred to the Board of Railway Commissioners as the board which was set up to govern all railways, and likened it to a possible organization for all radio in Canada. I feel that there is some room for argument as to the advisability of having the Board of Governors of the C.B.C., a government-owned company, controlling all radio in Canada. It is tantamount, to my mind, to having the C.N.R., for instance, controlling all railways in Canada. I could never bring myself to believe that such a set-up was the most ideal set-up. I wonder if Dr. Thomson would care to express his views along that line?—A. Before I answer the question, I have two matters I should like to deal with, if I may. First of all, may I table the return asked for yesterday showing an analysis of the number of licences issued, by provinces; and also by principal towns and cities under provinces. I table that as requested. I also have the annual statistical report for the year ending March 31, 1943, giving quite an interesting analysis of our programs. Copies are available for the members of the committee if they should wish to examine them.

With regard to the question that has been asked, I am not sure how far it is within my competence to answer a question of that kind. There is the Canadian Broadcasting Act of 1936 which was enacted in the light of a Royal Commission which had given a very full study to the question of Canadian radio. There is no doubt that in the Act it looked to unity of control as being the system advisable for Canada. I think that while the analogy of the Canadian National Railways and the Canadian Pacific Railway may, superficially, appear to be appropriate, it is not really appropriate, for this very good reason: the relationship between the Canadian Broadcasting Corporation and the private stations is not that of two rival services on a nation-wide basis. The real relationship between the Canadian Broadcasting Corporation and the private stations is not what is very frequently alleged, namely, a

relationship between competitors. There is no competition between the Canadian Broadcasting Corporation and the private stations. There is co-operation.

The Act, in section 21, specifically lays down that: "No private station shall operate in Canada as a part of a chain or network of stations except with the permission of, and in accordance with the regulations made by, the corporation." The real distinction between the Canadian Broadcasting Corporation and the private stations is that the Canadian Broadcasting Corporation is a national institution providing programs for the whole of the Canadian people on a national basis. The private stations are local stations, providing what is a highly important and very essential service for the Canadian people, namely that of a local broadcasting station. There is no competition between these two services. I should say that they are supplementary. They represent two very important interests in anything that affects the Canadian people.

We are very desirous of Canadian unity and the Canadian Broadcasting Corporation in many ways is a symbol of that unity, a symbol in a very practical way through what I have described as a Canadian voice speaking to the whole of the Canadian people, reflecting their different moods, bringing them information and forming, with its bilingual system, something that is expressive of Canadian unity and addressing itself to the Canadian people as a whole. I think it is a highly significant social phenomenon, a highly significant cultural phenomenon, that there should be given to Canada, through the development of radio, a living voice through which she can become self-interpretative of her own culture and her own changing moods. That is the ideal of the C.B.C. But anyone who knows Canada realizes that local loyalty, local interest and local information are highly important factors in Canadian social life. People like to listen to their local stations. They like to get local features. They like to be provided with local information. It seems to me that if you get these two things together, you have provided in many ways the ideal set-up for Canadian radio. It would be singularly unfortunate if these two systems fell apart. What we have under the Canadian Broadcasting Act is a recognition that these two systems are co-operative and supplemental one to the other. If you were to set up some authority, as has sometimes been proposed, apart altogether from broadcasting interests, then you would come to the conclusion, Mr. Chairman and ladies and gentlemen, that to all intents and purposes we had abandoned the ideal of this Act, that we had receded from the conclusions of the Royal Commission which investigated this matter and had, in effect, departed from the ideal of a national radio system.

Q. Do you think that ideal would be depreciated under a commission rather than a Board of Governors? I think the picture that Dr. Thomson has drawn is a very fine picture; but I cannot quite see how a Board of Governors has given any more impetus than a radio commission would have given.—A. All I can say, Mr. Chairman, is that the present system has worked exceedingly well; and before you abandon it, I do think it would need to be proved that in some way or another it had failed.

Q. That is quite true?—A. It is better "to bear those ills we have than fly to others that we know not of".

Q. In the matter of regulations, the C.B.C. makes regulations governing all radio. Are the private broadcasting stations or their central organization—I think that is Mr. Bannerman's organization—ever consulted in respect to regulations?—A. The Canadian Association of Broadcasters very frequently make representations to the Board of Governors when they have any matter that they consider to be of common interest to the members of their own association. The door of the Board of Governors is always kept open for them. As a matter of practice, they do very frequently appear at the meetings of

the board. They make their representations. They are heard, and in the light of all the facts, the Board of Governors determines. For example, at the last meeting they presented a number of matters before the Board of Governors, one regarding the matter of admitting war commentaries from the United States of America. Up to that date it had been the rule that we should not, under any circumstances, sponsor commentaries or allow sponsored commentaries to come into Canada. Of course, a great many of these commentaries from the United States are on a sponsored basis. Having heard representations from members of the Canadian Association of Broadcasters, the Board of Governors reconsidered their position and they enacted that, with certain necessary limitations, a certain number of these commentaries should be admitted. That is the way in which it works. It is a practical arrangement whereby the Association of Broadcasters can, and actually does from time to time, make representations to the Board of Governors.

Mr. HANSELL: My position is this, Mr. Chairman, and I think perhaps it will be appreciated. I do believe that there should be safeguards against monopoly of radio. I have said before, and I say again, that I think government monopoly is just as bad as, and perhaps worse than, any other kind of monopoly. I do not think, of course, that there is a government monopoly to-day by reason of the fact that we do have private broadcasting stations geographically scattered throughout the country. But I do believe that private broadcasting serves a purpose. It has its functions; and any monopoly, either one way or the other, should be guarded against. If a radio commission would serve that purpose, that is certainly what I would advocate. On the other hand, if there is no need of any safeguards along that line, perhaps we are getting along very well.

The CHAIRMAN: Are there any further comments or questions?

Mr. ISNOR: I should like to clear up one point which Mr. Hansell raised, Mr. Chairman, in regard to the position in which Canada finds itself, comparing the radio and the railways. As I understand it, the railways are governed by a transport commission.

Mr. TRIPP: The Board of Railway Commissioners.

Mr. ISNOR: Yes, the Board of Railway Commissioners. They have jurisdiction over all railways, public as well as private. The Board of Governors of the C.B.C. are in a somewhat similar position. They have jurisdiction over the publicly owned C.B.C. They also control, at least to a certain extent, the activities of the private stations.

Mr. HANSELL: If your analogy were correct, it would be that the officials of the C.N.R. would be equivalent to the Board of Governors.

Mr. ISNOR: Correct.

Mr. HANSELL: And would control all matters of transport in Canada, which would certainly not be ideal. That is done away with by having a commission that controls both the government railroad and the private railroads.

Hon. Mr. LAFLECHE: Is there such a parallel, Mr. Hansell, if I may ask the question? I do not think there is a real parallel.

Mr. HANSELL: Well, I think there is; although, as Dr. Thomson has tried to point out, that parallel is not as glaring as it may appear. As Dr. Thomson said, it has the superficial appearance of that.

By Mr. Hanson:

Q. Is it not a fact that when a private individual or corporation asks for a broadcasting licence for a private station, that application has to be approved by the governors of the C.B.C.?—A. The procedure in applying for

a licence is that the application is made to the Department of Transport, and then it is mandatory upon the Department of Transport to refer the matter to the Board of Governors for their opinion on whether the licence should be granted or not. They have to make a recommendation. But the licence is not granted by the Canadian Broadcasting Corporation. All that we are asked to do is to make a recommendation in the matter.

By the Chairman:

Q. How many new licences have been granted within the last year to privately-owned stations?—A. There have been no licences granted during the past calendar year.

By Mr. Hansell:

Q. What is the total number of private licences throughout Canada at the present time?—A. There are eighty-nine private licences in Canada at the present time.

By Hon. Mr. LaFleche:

Q. May I ask, Mr. Chairman, the total number of radio stations?

The WITNESS: I beg your pardon. May I correct that. I am sorry to interrupt the last question. There are seventy-nine private licences and ten licences of the Canadian Broadcasting Corporation.

By the Chairman:

Q. How many stations do these seventy-nine licences include? Are they individual?—A. Yes, sir.

Q. If one concern has five or six licences . . . A. One licence, one station.

By Hon. Mr. LaFleche:

Q. How many radio broadcasting stations are there in Great Britain? Do you recall?—A. I have not the information. The set-up there is so entirely different. There is only one system and they have organized their work on a regional basis, but that has been very considerably modified by the war because they do not want to have too many frequencies operating as radio is a very fine guide for aircraft.

Q. I know well that one cannot compare the situation here in Canada with that of Great Britain. It is not on all fours, but there is one point of comparison, at least. They have to serve about 45,000,000 people, and we between 11,000,000 and 12,000,000 here. There is a vast difference in the superficial geographical area, but it is a point that I think should be remembered and therefore I should like to know the number of radio broadcasting stations in England if it is permissible to give it, or how many there were before the war? I have an idea it is a very small number?—A. It is comparatively small.

Q. It would be perhaps one-seventh or one-eighth of the number we have here?—A. I have not the accurate information. Consequently I hesitate to hazard upon a guess but, of course, it is very small compared to this country.

Mr. HANSELL: Of course, the country itself is very small.

By Mr. Tripp:

Q. At the present time the C.B.C. in its organization has the power to cancel licences, transfer licences, control of wire lines, control of power and transmitters, control of programs, control of networks entering Canada. If some of these controls were loosened to allow a combination of stations to form, you might say, a competitive network what effect would that have on the national

organization? Would it have a detrimental effect?—A. That would need to be answered in the light of practice. The question really is one of what would be the nature of this supposedly privately owned network? Who would operate it? who would be the owner of it? What would be their interests? These are highly important questions. I think we have to recollect, Mr. Chairman, that whoever controls any network in this country would wield enormous power, almost incalculable power, far more power than would be wielded by, let us say, the Canadian press. It is not that I am minimizing the press but the press has been very careful never to set up any unified control in this country. They have a co-operative arrangement for pooling news, but if you could imagine one single newspaper for the whole of this country privately owned and distributed from one end of the country to the other could you conceive of anything more powerful for influencing the public mind? Let us suppose a group of men with large capital resources—I have made a calculation it would take at least an investment of \$10,000,000 to begin it—a group of men with an investment of \$10,000,000 set out to own and operate a Canadian network; you would have a group of men who had a more powerful influence upon Canadian public opinion than any other group of men in this country. It would be enormous. I think you have to face that.

The second thing is that we have to the south of us very large and powerful organizations, the American networks. I think it is inevitable that the Canadian private network operators would look to the United States to get a very considerable amount of their service and in effect what you would have eventually would not be two Canadian networks. You would have one owned by the Canadian people operated as a publicly owned system and you would have another probably with its headquarters in the city of New York. I mean its practical headquarters in the city of New York. I think you have got to face that.

By Mrs. Casselman:

Q. Then you are taking care in the issuing of licences that system will not grow up, that no corporation will handle under different names, or in any way of that kind, a number of licences, that there is no other chain growing up, not in the open but in secret, so to speak?—A. The last committee dealt with this matter and I think you recommended that there should be no further licences granted to owners of more than one station. All I can say is that the Board of Governors has been very careful to observe that injunction.

Q. I am glad to hear that.

By Mr. Hansell:

Q. Would it not be proper to say that a government-owned network could become as powerful in the influencing of public opinion as a privately-owned network?—A. Yes, but we have to appear annually before a committee of the House of Commons to give an account of our stewardship and can be asked very many questions and can be corrected if our policies are wrong. I think there is a very effective public control through the parliamentary committee on the operations of the C.B.C.

By Mr. Tripp:

Q. You mentioned the American networks. They have probably three or four networks over there. There is a red and blue network. Can you tell us to what extent they are controlled, or who controls them, and whether they are government-influenced?—A. The system in the United States of America is that there is a Federal Communications Commission which regulates all matters connected with broadcasting in the United States of America, but the control

does not extend to the same kind of matters that you have here in Canada. For example, they have very little to do with the character and nature of programs.

By Mr. Bertrand:

Q. Would not the setting up of a second organization or a second network system in Canada also interfere with the distribution of the international wave lengths?—A. Not necessarily so far as I can see. Wave length has been a matter of international agreement for the whole of North and South America. I do not think that would be a material matter.

Q. It would only affect us internally?—A. There could be an allocation of wave lengths to stations. The wave lengths are given to individual stations.

By the Chairman:

Q. The other day the Prime Minister gave the house a statement with reference to a new conference which had been held since the Havana conference. Would you comment on how that affects the Canadian position?—A. That conference did not affect Canada at all.

Q. What was the purpose then of presenting to parliament what it did if it had no effect upon this country?—A. It was really an interim meeting of the continuation committee of the Havana conference but Canada was not present. I am not well acquainted with this matter. Dr. Frigon is much better acquainted with it than I am, but as I take it it was a meeting of the continuation committee. No new agreements can really be put into effect until the conclusion of hostilities.

By Mr. Tripp:

Q. At the present time is it possible for two or more privately owned stations to connect and give the same program at the same time?—A. From time to time such permission is given.

Q. They have to get special permission to do that?—A. They must.

By Mr. Hansell:

Q. Could I go so far as to say it is possible for private broadcasting stations throughout Canada geographically located to cover the whole of Canada to put on a network program?—A. No, it is only done on a regional basis for some particular reason or purpose. For example, on one or two occasions it has been represented to us that for the purpose of some war program a few stations in a province or in a region wish to link up. We have thought it would be a very good service to the public that such a program should be presented and we granted permission.

By Hon. Mr. Lafleche:

Q. A moment ago Dr. Thomson told us about the possibilities of a greater link-up with United States radio broadcasting. I would like him to make a comparison between the position of Canada as a broadcasting country and that of the United States, in regard to volume. What I am seeking is his appreciation of the possibility that one of the two countries is liable or is not liable to be drowned out by the other unless precautions are taken by one or the other country?—A. The Havana agreement expressly provides for that, sir, that there can be no drowning out, that is to say.

Q. I mean through the medium of hook-ups in one country controlled by interests in the other.—9. We are in control of all American network programs coming into Canada over any station. Consequently we can be the judge as between Canadian and the American programs. I should not wish it to be suggested, if I may go back to what I said previously, and especially at a time

like this that I am opposed to the entrance of American programs into Canada. That would be a very foolish position to adopt. As a matter of fact, we are very much indebted to the United States of America for providing some very excellent programs but we do not want to be swamped by American programs.

Q. The point is, under whatever system might be set up in the future would you not always have the necessity of maintaining control on the part of Canada?—A. I think so.

Q. That is my question.—A. If you are going to have Canadian broadcasting at all.

By The Chairman:

Q. In that same connection one of the recommendations that the committee made last year was that the corporation should consider if the continuance of Canadian outlets for United States networks in Canada is in the interests of broadcasting and of the corporation. Has the corporation changed its attitude with reference to policy in that regard or has it given consideration to that particular recommendation at all?—A. The Board of Governors, of course, paid due attention to the recommendation of the committee, and in their mind it is desirable—at least, they have not enacted otherwise—that there should be opportunities for the Canadian people under certain restrictions to hear a certain number of American programs, and these outlets for the American networks into Canada are given by permission of the corporation. That is an essential matter.

Q. The principal outlet, I understand, is CFRB?—A. And CKCL, and then CKAC in Montreal.

Q. Would you make a statement as to whether you consider it is in the interests of broadcasting and of the corporation to continue the policy of allowing that? They are selling their programs to these Canadian stations and they are disseminating them here. Do you consider that is in the interests of the country or in the interests of the corporation?—A. Of course, I am only the general manager. I am not the Board of Governors and I do not know how far I am supposed to speak about policy and how far I am supposed to speak about administration. It appears to me, if I may say so, that there is a desire on the part of a certain number of our Canadian people to have opportunities to listen to American programs. They are going to hear them anyhow.

Q. Exactly, and I might interject there that personally I am all for it.—A. They are going to hear them anyhow because by the simple turning of a knob you can get most of those programs. There are certain private stations in Canada who are desirous of providing this service to the people and reaping the commercial benefit that accrues thereto, and I think probably—unless the Board disagrees—it is operating quite well.

HON. MR. LAFLECHE: There is no doubt that many of the things coming over the air from the United States are highly appreciated and are well worth while.

By the Chairman:

Q. What takes place in the reverse direction? Is there an outlet in the United States of America for Canadian programs through the same or similar channels, and have we any growing demand for American stations to purchase programs that originate in this country?—A. There is no outlet for the Canadian Broadcasting Corporation into the United States in the sense that there is a definite settled basis whereby certain American stations take, by purchase, Canadian programs. But I am very happy to say that there is a growing interest among the American people in our Canadian programs; and we have the very great pleasure of making our programs, from time to time, available for one or other of the great American networks.

Q. Is there any trade-off arrangement in that regard?—A. No, sir.

Q. You do not do it by barter?—A. No, sir.

By Mrs. Casselman:

Q. Some little time ago—I think it was two or three years ago—there were criticisms to the effect that some of the C.B.C. network programs were not carried by stations at home. I had complaints that were written in. There have been no complaints of that kind lately, have there, that some local programs were taking precedence over the network?—A. I think it should be understood, Mr. Chairman, that we have our own stations. Then, to provide coverage for the whole of Canada as far as possible, we have a number of private stations which are associated with us, which provide the basic network. Then we have, in addition, a number of stations that are supplemental to that from time to time.

Q. That is, that may or may not take all of your programs?—A. Yes, madam. But the same is true also even of our basic stations. We do not make it mandatory upon all of these private stations who are on our basic network that they must take all the programs. There is a certain amount of reserved time as to which we say, "During that time you shall take the programs." But they are also in the private and local field. I know that sometimes there is a clash of interests between the national and local interests, and sometimes people complain.

Q. I know I have heard no complaints lately, but two or three years ago there were complaints that some of the networks that were wanted were not carried by the Edmonton station. I was just wondering if anything had come up lately along that line.—A. We are working on a very fine co-operative basis with the stations; and while there will be inevitable complaints from time to time, on the whole it is working out very well.

The CHAIRMAN: Are there any further questions?. If not, I have one.

By the Chairman:

Q. Dr. Thomson, I was going to ask you this. A year ago a recommendation was made to the effect that the corporation should extend its services so as to give complete national coverage, by taking over, if necessary, privately-owned stations. Has any consideration been given to that, and has any action been taken or is any contemplated?—A. No action has been taken, and at present no action is contemplated. May I just say one thing, just to supplement that?

Q. Yes.—A. We have leased the Prince Rupert station temporarily.

Q. Which was a private station?—A. It was a private station. The situation was that there was a very large body of troops who were in the proximity of Prince Rupert and the private station was not providing anything like an adequate service. They were providing a very limited service. Urgent representations were made to the Canadian Broadcasting Corporation that this very large body of troops wanted programs and that we should do something about it. Consequently, we entered into an arrangement with the owners of this station to take the station over on lease, first of all for six months; and now, at the end of six months, we have renewed the lease for another period while we are considering the situation. We have been able to provide a very excellent service for that station largely through the use of recordings. American recordings are available and a certain number of our own recordings are available also, with the result that I think Prince Rupert station is getting a rather fine service at the present time. That is the only thing that has been done.

Q. When you have a commercial program, for which you receive a good fee, to put over your national network, and that commercial program is taken by a private station—that is, they plug in on it—does the private station receive any portion of the commercial fee which is received by the corporation for this further dissemination of that program?—A. Oh, yes.

Q. What I want to know is this. On what basis is that fee paid or granted?—A. It is done by arrangement with the sponsor. The sponsor buys the stations and he nominates the amount that he considers to be their value to him.

Q. In other words, is this what you mean or do I understand you correctly? He buys the network. He comes to the C.B.C. and makes a contract for, say, \$100,000. That is to go over the network. Can you farm that out to privately-owned stations—say, a dozen of them—and say, “We will give you so much money out of this pool of \$100,000 for disseminating that”?—A. It is all a pre-arranged thing.

Q. That is part of the contract?—A. It is all in the contract.

Mr. WEIR: There is a regular rate card.

The WITNESS: Yes. I am reminded that there is a regular rate card that is drawn up. It is just a regular commercial arrangement whereby a certain amount goes to the private stations and a certain amount goes to the C.B.C. They get their share of the total amount that is paid for this.

By the Chairman:

Q. I am not clear yet. Who determines what private stations will be on that, and what amount of money they will get?—A. It is a matter of bargaining between ourselves and the particular commercial agency that is interested in this program.

Q. Do they themselves designate the particular stations that are to take that?—A. Oh, no.

Q. That is the point. That is left with you people; and you have been accused, on occasions, of discriminating as to which private stations will get it.—A. I do not quite get what you mean, Mr. Chairman.

Q. Suppose you have a commercial program and you get \$100,000 per year for that. That is for your own network. Then out of some twenty private stations you have the privilege of taking ten of those stations and giving them that same program. They plug in and they disseminate it in their own areas served by those private stations. Is that it?—A. That is not how it is done.

Q. That is what I want to know. How is it done?—A. It is done on a definite pre-arranged basis; that is to say, suppose a sponsor says, “We want a program.” They must know what stations are going to get that before they enter into any bargain with us. It is not that they come to the C.B.C. and say, “Here is a program. You give it to whomsoever you like.” Not at all. The whole thing has to be laid before them on a very specific basis before anything is done. We have a regular schedule of rates. When anybody comes to buy network time, they know exactly what they are going to get, the stations that they buy, so to speak, and exactly where those programs are going to go. Everything is on a very definite basis. There is no question of the C.B.C. saying, “We will give it to so and so, but we will not give it to so and so.”

By Mr. Bertrand:

Q. The time of the day is fixed, and everything?—A. Everything is fixed.

By Mr. Isnor:

Q. In other words, the sponsors use you in the same manner as they use a national advertising agency. They select the coverage or rather they select from the stations the coverage that they desire?—A. No. It is not that we say, “For this program we will sell six stations; for this program we shall sell ten stations and for this we shall sell fifteen stations.” But “Here is the network. You buy this.” Our network is perfectly well established and they know exactly what that is.

By the Chairman:

Q. Yes. That is your network.—A. Yes.

Q. But then some of these private stations carry some of the national commercial programs?—A. Oh, no sir. The network is established. It is a fixed thing. It includes a certain number of our stations and a certain number of private stations. It is a more or less fixed organization. When you want to buy the national network, this is what you buy, and you do not buy anything else.

By Mr. Isnor:

Q. You have just the one network?—A. Yes.

By Hon. Mr. LaFleche:

Q. Can you buy a portion of the network?—A. Only on occasion. You can take what you might call a subsidiary network or a regional network.

Q. Suppose a buyer comes to you. There is only one thing to offer him?—A. Yes.

Q. With the possible exception of buying the subsidiary network?—A. Yes.

Q. It is a matter of purchase, is it not?—A. Exactly; what he wants to spend.

Q. Suppose a man wants to advertise something or other for his own purposes, and he needs the facilities of the radio. He comes to the C.B.C. and perhaps says, "I have \$200,000 to spend on a campaign, and I want the C.B.C. to carry it." Then what happens?—A. That is not what he buys. He does not come with \$200,000 and say that.

Q. All right. Suppose it is \$20,000.—A. No. It is not that he comes and says, "Look here; here is \$40,000. I would like to spend this on radio." Not at all. He comes to the C.B.C. and he says, "I want to go on the network." We say, "All right." We enter into an arrangement with him and he goes on the network.

Q. May I interject a question there. He says, "I want to go on the network." Then you pull out a map and say, "The network is comprised of these stations." Is that right?—A. Yes.

Q. And then the purchaser says, "I do not want all of these stations. I only want part of them." What can you do?—A. If he buys the national network, he buys the national network and he must take the national network. Otherwise we could not operate.

Q. I realize the difficulties of selling only part of it. I am asking what you do?—A. From time to time they may come to us and they may say, "I would like to have six stations in a region for a particular program." We can say that is a different matter altogether from the national network, and from time to time that can be furnished.

Q. I presume he could buy only one station?—A. Oh, he would go to a private station and make a direct bargain with them. We are not interested in the operations of private stations. He can go and do that if he wishes.

Q. If he wants to go on CBO alone?—A. Yes.

Q. That is what I mean.

By the Chairman:

Q. I have not got the explanation yet. There are certain private stations in Canada that have become part of the advertising and commercial program and others that have not. Who makes the choice?—A. I see what you are getting at now, Mr. Chairman.

Q. They are all out for this business?—A. Yes.

Q. Because once they get a private station, the more commercial work they can get, the more money there is in it. There appears to be some discrimination

as to what stations shall have some of that commercial advertising and what stations shall not have it. Who is the director in that? Who says, "You shall have it" and "You shall not have it"?—A. Well, in 1938 the network was established and an arrangement was entered into with certain private stations that they should constitute the national network, and they do constitute the national network. It is true that here are certain private stations that are not on the national network.

Q. What do they have to do to get on the national network? That is their difficulty?—A. Well, they would need to satisfy the Canadian Broadcasting Corporation, who in turn would need to satisfy the sponsors, that there was the desired coverage on the national network provided by that private station.

By Mr. Tripp:

Q. Can a sponsor, for instance, buy the network plus two other specified stations of his own?—A. Well, that is not the usual method of operation.

Q. If he does that, is the original contract increased by that extra amount?—A. He has to pay for what he gets.

Q. He has to pay for the extra amount?—A. Yes.

Q. The two extra stations would not come in the original contract, or would not participate in the original contract?—A. He would pay for what he gets. But the normal method of operation is: "Here is the network. This is what we have to offer you. This is what it will cost."

Q. The sponsor could say, "I want one station in Vancouver and another station in Halifax in addition to your regular network," if he were to pay that extra charge?—A. Not normally.

Q. Could he do that if he wished to pay the extra charge?—A. Not normally. Because we have entered into a very definite regularized arrangement with these private stations and they know where they stand. This is a certain amount of business that is coming to them. They keep that time and they operate on that basis.

By Mrs. Casselman:

Q. A sponsor could buy the network and then on his own get the extra stations Mr. Tripp speaks of and send the program over them?—A. Very seldom does he want to do that.

Q. I mean, it would be a possibility.

By Mr. Hansell:

Q. Put it another way. Could he buy less? Might I put it in a little different way. Here are four programs, the Palmolive program, the Happy Gang program, Ivory Soap, and Lux, and a large national hookup, we will say, have a victory loan speaker. Am I to understand that in each and all of these programs the same stations handle the same programs?—A. If it is a national network program, yes.

Q. The private stations and your own too?—A. Yes.

By Mr. Tripp:

Q. Is it possible, under your rate regulations, for one company to get a reduction in your regular rates?—A. There is a regular rate card. I have it here. That is what it costs.

Q. What I am getting at is this. Suppose there is an amalgamated company, and they put up four different products. They could come to the company and buy an hour's time of the company, which is cheaper on your rate card than fifteen minutes?—A. Yes.

Q. If those companies amalgamate, they could get fifteen minutes each, for each one of their products, at a lower rate than an independent company could

which manufactured just one article?—A. No, sir. One company can come and get a block of time on a certain specified rate. You could not get them forming an amalgamation and presenting one proposition.

Q. Is that not what actually takes place regarding the soap programs?—A. No.

The CHAIRMAN: They are different products but the one company.

Mr. TELFORD: Is there any limit to the time a sponsor can buy?

By Mr. Tripp:

Q. With regard to the soap programs, as I understand it there is one over-all company, and they control, for instance, four different makes of soap. They will take fifteen minutes each. This over-all company will contract for the time. Then it will designate to each one of these particular soaps a certain fifteen minutes.—A. Yes. But they are all products of the same company.

Q. They are all products of the same company?—A. Yes.

Q. But at the same time there is one company monopolizing one hour of your time. An independent company, a manufacturer who only has one soap, for instance, has to come in on a different rate, at a higher rate, and advertise his product. It costs him more to advertise his one product than it does the other company to advertise four products.—A. I am not sure that that problem has emerged.

Q. I think it has.

The CHAIRMAN: You are selling time, not products.

By Mr. Tripp:

Q. Yes, I know. But take, for instance, your unit of time. Apparently it is at different rates. You have a fifteen-minute rate and you have an hour rate.—A. Yes.

Q. And they are different prices?—A. Yes.

Q. One company which manufactures four different products could get a lower rate for each one of those products, which are made by a company that is really operated as an independent company. They get a lower rate than a manufacturer who manufactures only one product.—A. It is a case of buying an hour's time or buying fifteen minutes' time.

Q. I know. I just wonder as to the wisdom of having those different rates. I think it would be far better if you were to have one unit, and make it fifteen minutes, than to have a cut rate, which is really what it amounts to, for an hour. I think that is a problem of the American networks too.

By Mr. Isnor:

Q. There is a difference between a fifteen-minute period, a thirty-minute period and a sixty-minute period?—A. It depends on the time of the day.

Mr. WEIR: The American problem is identical with ours.

The WITNESS: We are very much tied up with American practice, because these agencies are international.

By Mr. Isnor:

Q. Is there very much difference in the price?—A. Not a great deal of difference.

Q. What is the difference? Take it for one hour.—A. I have not got that information just here.

Mr. WEIR: For half an hour, 60 per cent of the hour; for a quarter hour, 40 per cent of the hour.

By Mr. Tripp:

Q. It would tend to put the facilities of your network in the hands of the larger organizations to the detriment of the smaller independent companies.—A. Well, these commercial operations have got to be done on a business-like negotiated basis. I suppose that criticism is valid to a certain extent. We are looking at it not so much from the point of view of advertising as from the point of view of program material, what we can provide for the listeners.

By Mr. Bertrand:

Q. Does it cost you more to sell a fifteen-minute program than to sell a half-hour program or a one-hour program?—A. In what way?

Q. In organization.—A. The organization, of course, is done through commercial agencies and through our own commercial department. I imagine that the commission is based upon the amount that it costs for the program.

Q. What I had in mind was this. I happen to be a merchant, and it always costs more by way of overhead to sell a small quantity than it does to sell a large quantity. There is a difference in price which is inevitable in a business. Of course, we should like to see the ideals proposed by my honourable friend fulfilled, and see everybody benefiting through the same price for any named commodity. But the quantity has so much to do with the cost of output and sale, that you cannot get out of it. The one buying the larger amount of a commodity will get a lower price. You cannot get out of that. That is one thing in business that is still there.

Mr. TRIPP: On the other hand, if you want to prevent the inequities of cut rates in the best way possible—

Mr. BERTRAND: It is not cut rates. It is good sound business.

Mr. TRIPP: Oh, well—

By Mr. Hansell:

Q. Might I ask a supplementary question in view of the discussion that has taken place in respect to the networks. It is possible to have more than one station in one city on your network giving the same program at the same time, is it not?—A. Not commercially.

Q. Take the Lux program, for instance. Is it not possible for, say, more than one station in a city like Winnipeg to broadcast it?—A. No. It is the one station. The commercial people are very careful about that.

Q. I can understand how they would want to be. But I am still confused. Previous discussions led me to believe that all stations in one city—suppose there are three stations in one city—have a share of the network.—A. But they do not. There is generally one station in any particular community that is on the network for commercial purposes. Sometimes we make our sustaining programs available to more than one station in the same community, but not for commercial purposes.

Q. I am glad to hear that.

By the Chairman:

Q. It would not be any great advantage either to the company or to the commercial advertiser if that were done?—A. They are not interested in duplicate coverage.

Mr. BERTRAND: The sponsors would not pay for it.

The CHAIRMAN: No.

Mr. HANSELL: I am only going by what I think is my experience. I may be wrong in my experience, but I am quite certain that I can turn a national program on one station, on one hour, and then get some other hour on a commercial station.

The CHAIRMAN: That is right.

The WITNESS: They are all on commercial programs.

Mr. HANSELL: I must read the evidence and segregate this thing in my own mind. I must admit that I am confused at the present time.

The WITNESS: If you care to discuss it with our commercial department, they might be able to elucidate some of your difficulties. But the stations in any given community are operating on a commercial basis, and consequently you can hear a commercial program on different station in the same community.

By Mrs. Casselman:

Q. The same commercial program?—A. Not the same commercial program.

Q. On the same hour?—A. Not at the same hour, oh no—unless the commercial people are very foolish.

By Mr. Hansell:

Q. I do not want to prolong the discussion. It is only a matter of elucidating the thing. I understood a few minutes ago that if a commercial company wanted to broadcast over the networks, you simply said, "Well, here is our network. You have to buy that." Is it not the same network for one hour as it is for another?—A. By and large, that is true.

Mr. TRIPP: Are not the sponsors of these different kinds of soaps all one party?

Mr. HANSELL: May I carry that a little further before you ask your question?

Mr. TRIPP: Certainly. I am sorry to have interrupted.

By Mr. Hansell:

Q. Then why is it that at six o'clock I tune in on one station and get a commercial network, and at eight o'clock I tune in on another station and get a commercial network?—A. I think you are speaking of the city of Calgary.

The CHAIRMAN: To get the different listeners.

Mr. HANSELL: It does not matter, does it?

The CHAIRMAN: Oh, sure. The more people they can get to the better. That is the whole idea.

The WITNESS: There is an exception in the city of Calgary, where there are three commercial stations; and I think we are in association with two of them, so far as the network is concerned. That is a somewhat anomalous situation.

Mr. HANSELL: Perhaps that is what is confusing me. It is not an argumentative point, though.

The CHAIRMAN: No.

Mr. HANSELL: I am satisfied to leave it to the authorities, but it is a matter of getting it straightened out in the evidence.

The CHAIRMAN: Is there anything else in that line? If there is not, there is a matter I want to take up here.

Mr. TRIPP: Pardon me. May I get an answer to that question?

The CHAIRMAN: Yes.

By Mr. Tripp:

Q. We have at one o'clock out in our section, four different soap programs coming on, of fifteen minutes each, following each other for one hour. Is not the one sponsor operating those four different programs?—A. Yes.

Mr. WEIR: That is correct.

By Mr. Tripp:

Q. That is correct. In doing it in that manner, he gets a lower rate per unit, for fifteen minutes, than does an independent man who is only operating, for instance, one product?—A. That is correct.

Q. Therefore, if you want to get cheap rates on a program, you combine and buy it; then you divide it, and farm it out amongst your own companies.—A. Oh, no sir. We deal with one firm. If they want to buy one hour, it does not matter who they are, they will get it at the one hour rate.

Mr. ISNOR: On the same principle as newspapers sell their space.

By Mr. Tripp:

Q. I know. But does not the principle reflect to the disadvantage of a small independent company as compared with a large company which operates four different units or five or six different units?—A. I think it probably does.

Q. I think it would. Is it proper procedure for a government institution to do that? You talk about being against large interests and large companies and large this and that and yet by your very rate cards you favour the large person against the smaller one. I am just wondering whether it is good government practice?—A. It is not a government institution.

Q. Is it wise for an independent company which operates in the public interest, let us say, and has full control over matters in that one line?—A. I imagine with the Canadian National railway if you hire a car you will get it rather cheaper than if you are sending one parcel.

Q. For instance, you just told Mr. Bertrand that it did not cost any more for fifteen minutes than it did for an hour, that your operating costs were no greater. Therefore, why do you cut in one case to the detriment of a small buyer and not in the other?—A. All I can say is it is commercial practice.

Q. But is it a good practice?—A. I am not a great authority on commercial matters.

By the Chairman:

Q. If you are a good negotiator what has been done with reference to the negotiations between the Department of Transport and the corporation to see if out of the licence fees there could not be more money given to be used by the corporation on programs? What progress has been made?—A. The matter has been raised and it is still in process of discussion.

Q. Is any progress being made?—A. No, sir, no progress has been made, at least, no tangible progress.

Mr. HANSON: There is very little complaint about the programs anywhere. All throughout Canada they are pretty well satisfied.

The CHAIRMAN: That was not the point. The point last year was that the opinion of the committee was to the effect that the Department of Transport for the services rendered was retaining too much of the fees that are collected for radio licences and in addition my understanding is they receive the fees for licences for privately owned stations.

By the Chairman:

Q. Is that correct?—A. That is correct.

Q. Is there any difference in those fees for privately owned stations? Have they increased or have they remained the same?—A. I believe they have been raised.

Q. They have been raised?—A. That is not settled by the corporation.

By Mr. Isnor:

Q. Not the fee itself?—A. No. What I mean is the total amount of fees has gone up. There has been no change in the actual fee charged to private stations for operating.

Mr. ISNOR: That is known as the commercial licence fee.

The CHAIRMAN: No, not the individual radio set; I am asking with reference to the fee for privately owned stations.

Mr. ISNOR: That is known as the commercial licence fee.

By the Chairman:

Q. In view of the improvement in the service over the years does the corporation believe they are getting enough money for the services they are giving these people? They do not actually get the money but you supply the service?—A. We do not fix the fee.

By Hon. Mr. LaFleche:

Q. You do not what?—A. We do not fix the fee.

The CHAIRMAN: That is the anomaly of the whole thing. Another department, the Department of Transport, fixes the fee, and they say to the C.B.C., "Here, you give these people all the facilities they are supposed to have and you do it for this money." That is an anomalous position. You have got a corporation which is supposed to be independent of the government and you have a department of the government which says, "You have to do so and so for so much money and you do not get a cent more". If I was on the Board of Governors of the C.B.C. I would put up a strenuous kick against being used as anybody's tool.

Mr. BERTRAND: I wonder if Dr. Thomson would comment.

The CHAIRMAN: I was leading up to see whether he will make a statement.

The WITNESS: This committee, I believe, will draw up a report. It is within their competence to make a recommendation.

By The Chairman:

Q. That is what we did last year. We said that discussions ought to be entered into between the corporation and the Department of Transport to see if the amount retained by the department out of the licence fees could not be reduced so as to make available more money to be used by the corporation, and we suggested on programs, but we do not care how much you use it.—A. There are two matters, Mr. Chairman. There are licence fees collected from the person who has a radio in his home. That, of course, is fixed at \$2.50. We have had discussions with the Department of Transport, not perhaps as vigorously as we should, but it has been taken up to see whether the proportion that they retain, presumably to cover the expenses of collection, is not excessive. That is still in procedure. The other matter—

Q. Just there, what is that proportion? Can you give us that?—A. Out of \$3,682,808.44 the collection charges were \$197,476.52. That was 1941-1942. For the year ending March 31, 1943, the amount retained for collection charges was \$223,338.07 out of a total collection of \$3,925,028.31. The other matter that you raised, Mr. Chairman, was the amount of fee that was chargeable to a private station for operating. That, of course, is fixed by the Department of Transport.

Q. Yes, but the point is that the Department of Transport gets \$225,000 a year as commission for the individual radio licences. In addition they sell to private stations the right to operate for which they get a fee. After that

their work is closed, but they say to the C.B.C., "You supply these people with sustaining programs", and all the rest of that for which you do not get a nickel? Is that not right?—A. That is correct.

Q. My contention is you are entitled to a greater percentage of that money on account of giving them the service.

Hon. Mr. LAFLECHE: Before judging do you not think it is well to find out what the costs are to the Department of Transport for collection?

The CHAIRMAN: We went into that fairly well last year.

Hon. Mr. LAFLECHE: Let us do it again because in a sense you are expressing an opinion about the other department in relation to the Board of Governors. What is paid to the man who collects the fee, the man who sells the receiving set licence to the individual owner? What does he get for that? Does he get 25 cents?

The CHAIRMAN: He gets 25 cents.

Hon. Mr. LAFLECHE: That is one-tenth right away of the fee money collected. Would you make a quick comparison with the figures given by Dr. Thomson?

The CHAIRMAN: I should like to know what the other figure is first, what amount of money they get from the privately owned stations as their yearly licence fee. Put the two of them together and that constitutes their yearly revenue as far as radio is concerned. We would have to have the other side of it, what their costs are, but my recollection of it is they were very much less than their receipts and that there should be a greater percentage of that money given to the corporation than there has been in other years.

Mr. BERTRAND: It is in the competence of this committee to call a witness from the Department of Transport.

The CHAIRMAN: I think so.

Mr. BERTRAND: Should we not do that?

The CHAIRMAN: Yes, but they are really a part of the financial record of the corporation. Part of them are, anyway.

Mr. BERTRAND: I can see where we are becoming embarrassing to the witness today and probably it is unfair to a degree.

The CHAIRMAN: The question was relevant because the question was what progress had been made with reference to the recommendation of last year that a greater percentage be used for programs.

Mr. TRIPP: For us to use our judgment I imagine that we would have to get the cost of that portion of the Department of Transport which was given to the service of the C.B.C.

The CHAIRMAN: All right. Are there further questions to ask Dr. Thomson?

Mr. HANSON: Mr. Chairman, we have had a representative from the department before. Why not call someone to give us that information?

The CHAIRMAN: We can have that.

Mr. HANSON: I think we should have that at the next meeting. We can call on someone, tell him what we want and have the answer prepared, the total amount collected from licence fees, the cost, and also from private stations. That would not take long.

The CHAIRMAN: Any further questions with reference to organization or overseas units or short wave?

By Mr. Bertrand:

Q. May I ask with reference to the overseas unit what are the costs of bringing the different programs from overseas?—A. You mean the actual cost of transmitting them to Canada?

Q. Yes.—A. That is very small.

Q. And the cost of organizing the programs overseas also?—A. I gave the cost of our overseas unit. \$124,000 has been spent on maintaining the overseas unit. That is in No. 3, page 61, near the top of the page.

Q. These are divided between English programs and French programs. Is there any proportion of one to the other?—A. There is no exact budget. It is one unified body. There is no definite allocation.

Q. At all events there is no hesitation. People want them to be continued.

The CHAIRMAN: Is there anything further on that particular part of the statement?

By Mr. Isnor:

Q. Following your question with regard to the licence fees, are the amounts shown under the headings of licence fees and commercial in your financial statement the net amounts as received? That is on page 79. Are those the net amounts as received from the Department of Transport?—A. On our actual accounts, yes.

Q. In 1943 the figures shown for licence fees are \$3,701,690.24 as compared with \$2,906,605.28 in 1940. That would indicate a large number of new users?—A. Yes, sir.

Q. Roughly speaking there is an \$800,000 increase there in revenue. That applies to the individual radio licence holder?—A. Yes.

Q. The second line is commercial. That is the one the Chairman was discussing. That shows a large increase this year, 1943, \$1,204,644.72 as against \$700,867.92 in 1940.

The CHAIRMAN: That is commercial programs.

The WITNESS: That is not commercial licences. That is from commercial operations.

The CHAIRMAN: The point that I wish to make is that we do not get one nickel. The corporation which we are investigating does not get a five-cent piece as far as the licence fees for commercial stations go. Am I right in that?

The WITNESS: Yes, sir.

Mr. ISNOR: I am glad to have that cleared up.

Hon. Mr. LAFLECHE: May I put on the record . . .

Mr. ISNOR: May I get an answer to that first so as to clear it up?

By Mr. Isnor:

Q. That is correct, is it?—A. You must pardon me if I am not as good a witness as I ought to be. I have only been in this job six months and I do not know all the details. I apologize to the committee for my ignorance. I am informed that we do get the commercial licence fees from private stations.

Q. Where does that show in your statement?—A. It is all included in the gross total from licence fees. The breakdown for the year 1942-1943 is from radio receiving licence fees, \$3,890,678.31, and from private commercial broadcasting licence fees, \$34,350 making a total of \$3,925,028.31. Then there is a

deduction for collection charges of \$223,338.07 leaving net income from both receiving licence fees and private commercial licence fees of \$3,701,690.24.

Q. There is your answer. My first question was as to whether that was the net amount as received from the Department of Transport. You have now given us the gross amount as received less deductions?—A. Yes.

Q. And it cost what?—A. \$223,338.07.

Q. There is the Chairman's answer. It is costing the C.B.C. \$223,338.07 for the Department of Transport to collect the individual licences as well as commercial licences?—A. Yes, sir.

Q. What else is it?—A. Let us have it?

Dr. FRIGON: For collecting licences there is a commission to the collectors plus a charge of the Department of Transport for collection. We get much less than the \$2.50 that is collected from each individual. There is deducted from that the amount paid to the collector plus the cost of collecting for the Department of Transport. In other words, the collection fee from the receiving set owner to us is about 14 per cent.

Hon. Mr. LAFLECHE: There is 10 per cent for the man who sells the licence and an additional 4 per cent for divers other things?

Mr. BERTRAND: The work in the department and issuing the licences.

Hon. Mr. LAFLECHE: Very cheap, I would say.

The CHAIRMAN: It is getting near 1 o'clock. Are there any further questions with reference to short wave broadcasting? If we clean that up we can get to the financial picture next day.

By the Chairman:

Q. It is about a month, Dr. Thomson, since the report was made. Has there been any progress in that month with reference to the negotiations for the material for the short wave broadcasting station?—A. The orders have been placed. You mean the technical equipment?

Q. Exactly, that is held up; has any progress been made with reference to getting it?—A. Dr. Frigon really is much more competent to answer these questions than I am. I have no further information.

Q. I presume the Board would have if there was any.

The CHAIRMAN: I think probably we will end the discussion there for to-day. The Canadian Association of Broadcasters want to make arrangements to appear before the committee. Their letter reads:

Certain statements contained in last year's report of your committee, and what was said in the house during the debate on that report, would indicate that the present committee will want to hear from representatives of independent radio broadcasting interests. For our part, we are anxious to attend to assist and inform the committee as fully as in our power lies.

The independent stations are situated from coast to coast, and as we desire to have a small but fairly representative group attend your sittings, and bearing in mind the difficulties of wartime travel, it would be a convenience to us if the date for our appearance could be fixed some reasonable time in advance.

Mr. ISNOR: I would move that July 8th be set as the date for hearing them.

Mr. HANSON: I will second that motion.

The CHAIRMAN: It is moved by Mr. Isnor and seconded by Mr. Hanson that an appointment be made to hear the Canadian Association of Broadcasters on July 8. All in favour?

(Carried).

The CHAIRMAN: We will adjourn to meet on Tuesday. We will put the hour a little earlier, 10.30, because it is easier to get members of the committee then when there are a number of committees at 11.

The committee adjourned at 12.55 to meet again on Tuesday, July 6, at 10.30 o'clock a.m.

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SESSION 1943

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, JULY 6, 1943

WITNESS:

Dr. James S. Thomson, General Manager of the Canadian
Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



MINUTES OF PROCEEDINGS

TUESDAY, July 6, 1943.

The Special Committee on Radio Broadcasting met at 10.30 a.m., the Chairman, Mr. J. J. McCann, presiding.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Bertrand (*Prescott*), Boucher, Chevrier, Coldwell, Durocher, Hansell, Hanson (*Skeena*), LaFlèche, Laflamme, McCann, Mullins, Rennie, Ross (*St-Paul's* and *Telford*)—15.

In attendance: Dr. Augustin Frigon, assistant general manager.

The Chairman tabled for distribution copies of a comparative statement requested from the Radio Division of the Department of Transport showing the issue of private receiving station licences by provinces (including gross revenue and cost).

The Chairman read telegram exchanged with the Canadian Association of Broadcasters which the Committee agreed to hear. The date was set for Tuesday, July 13.

Dr. James S. Thomson was recalled and examined on his financial statement presented on June 17. He was assisted by Messrs. Bramah and Brodie.

Witness was also questioned on educational broadcasts, C.B.C. staff and publication.

A discrepancy which arose between figures supplied by the Department of Transport and the general manager respecting radio licences was explained.

The following correction was made in the minutes of evidence of June 17: page 60, para. 4, line 3, the figure \$1,728,880 should read 1,728,880.

The witness tabled the following statements as requested:

1. Breakdown of payments to private stations.
2. Statement indicating the increase of C.B.C. personnel since 1942.

Ordered,—That the above mentioned statements be printed in to-day's minutes of evidence. (*See* appendix No. 1 and 2).

Mrs. Casselman further referred to station CKUA of Edmonton and a discussion followed.

Dr. Thomson was released.

The Committee decided to recall Dr. Frigon and to hear representatives of the Department of Transport at the next meeting.

The Committee adjourned at 12.55 p.m., until Thursday, July 8 at 11 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 6, 1943.

The Special Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Before proceeding with the business of the meeting, I wish to state that we have copies of information respecting the issue of private receiving station licences, which will be distributed.

With reference to the Canadian Association of Broadcasters, we sent them a wire to the effect that they could be heard on July 8. That was this coming Thursday. They wired back as follows:—

Re wire from Mr. Plouffe setting date for appearance of the Canadian Association of Broadcasters before your committee on July 8th as set out in our letter of May 26 we plan to have representatives present from Vancouver and other points stop View of travel conditions it does not appear possible to get them to Ottawa by eighth stop While not desirous of inconveniencing your committee your courtesy in putting our appearance over to any day after following Tuesday and advising by return wire would be appreciated and would ensure representative attendance.

A reply to that telegram was sent by the clerk of the committee reading as follows:—

Reply your telegram stop Chairman directs me to state Tuesday July 13 the latest date for appearance of your representatives.

I have not as yet received any reply to that communication.

We shall now proceed from where we left off at the last meeting. The witness was Dr. Thomson. If I might suggest it, we might try to get through with Dr. Thomson, if possible, if we want to expedite the business of the committee at all. We had reached the stage where we had discussed organization and we came to the overseas unit.

Mrs. CASSELMAN: What page is that, Mr. Chairman?

The CHAIRMAN: That is page 38, Mrs. Casselman. We have shortwave broadcasting and the financial reports left to deal with. We are open to any other suggestions that any member of the committee wishes to make with respect to the order of business. But I think, if we follow that, we will have covered the ground pretty well.

Dr. JAMES S. THOMSON, General Manager, Canadian Broadcasting Corporation, recalled.

Mr. HANSELL: I have no questions to ask on this, Mr. Chairman.

The CHAIRMAN: Have any members any questions to ask with reference to the overseas unit? I think Dr. Thomson stated the other day that there was nothing further to report with reference to the shortwave broadcasting situation.

Then if you turn to the Minutes of Proceedings and Evidence, No. 3, you will find in that an outline of the financial situation. That would be page 58.

By Mrs. Casselman:

Q. All your expenses, I see, are up for 1943 quite a bit above 1942. I have reference to programs, station network and so on. Is that due to the growth of the system, or is there more difficulty in getting staff or what is the reason for that? Practically all the items there in your financial statement are higher.—A. Yes. Mr. Chairman, there is a diversity of causes. There is an expansion of services, but also there is a mild form of inflation abroad. Costs generally have risen in most departments of activity. For example, as to programs, we have spent something more on artists; then as to station network, that represents simply the hire of more lines. The same is true of engineering; and included in that is a good number of costs of material. A certain amount of the material has to be obtained in the United States of America where there is not the same price ceiling as we have in this country. That affects it, and so on as you go down the line. The costs have generally gone up for everything except interest on loans.

By Mr. Boucher:

Q. I notice the costs of administration have gone up, roughly speaking, \$25,000, although the figure for receiving sets is up only about 1,000. Probably you could explain that briefly.—A. The explanation for that is a little complicated. We were involved in an action with Gooderham and Worts in respect of a lease that had been entered into by the former Canadian Broadcasting Commission. We had to take over the liabilities of that commission, and there was an action raised against us in which an award of \$25,000 damages was made against the corporation. Now that decision of the court has been appealed and the appeal has been heard. What we put in really was a counter appeal, because the pursuer did not think he had received enough damages and he appealed against the \$25,000 award. Consequently we put in a counter appeal challenging the ground of action. That appeal and counter appeal have just been heard and they are at present before the court for judgment. Consequently we had to set up a sum of \$25,000 to meet that contingent liability.

Q. That \$25,000 just being set up would not come into the cost of administration of 1942-43, would it?—A. It is in "general and administration". It has to be set aside as a sum that had to be accounted for somehow. We did actually set aside that sum, although it has not been spent.

Q. That is part of the \$223,000?—A. Yes.

Q. The commissions have increased from \$279,000 to \$296,000, roughly speaking an increase of \$18,000, and the licences are only about 1,000 more. I find the total number of licences issued has only increased about 1,000 and the commissions have increased from \$279,540 to \$296,989. Has the rate increased?

Mr. HANSON: 100,000, is it not?

The WITNESS I did not get the reference, sir.

By Mr. Boucher:

Q. If you will notice the statement you gave us, you show your commissions for 1941-42 as \$279,540.70. The commissions for 1942-43 are \$296,989.50, a difference of about \$17,000, or an increase in commissions of \$17,000. Then you will find the total number of licences issued has increased, roughly speaking by only 1,000.—A. That is not a statement that I tabled, Mr. Chairman. That is a statement that has been tabled this morning by the Department of Transport.

Q. This is tabled, or issued by the Department of Transport?—A. Yes. It has not been in my hands yet.

Mrs. CASSELMAN: It is private receiving station licences.

Mr. BOUCHER: It says, "total number of licences issued."

The WITNESS: I observe this is not my statement. The number of licences have gone up by 100,000, and the commission to collectors has gone up from \$279,000 to \$296,000; the cost of administration has gone up from \$109,000 to \$222,000. Of course, these are the Department of Transport's figures and I have really nothing to do with them.

By Mr. Boucher:

Q. You have no explanation then for the increase in commissions?—A. I have really nothing to do with the matter, sir.

By Mr. Ross:

Q. I find that these figures do not agree. In your statement for the year 1943 you give the licence fees as \$3,701,690.24 and the figures given by the Department of Transport show that the total revenue collected, gross revenue, 1942-43, was \$4,187,667.81. If you take away the cost of collection, which is given as \$520,327.57, 1942-43, the remainder will be \$3,667,340.24, so they are not the same. I do not know what would make up the difference.—A. These are not my figures, of course. I can only tell you what we got from them.

Q. You got the money; they have given you more money than they got.—A. According to the statement—

Q. \$34,000 more.—A. According to the statement we have more. I have no explanation to give, frankly, this morning; we can inquire.

Q. I suppose this does not come under your department at all. I am referring now to the cost of administration. Why would it cost \$223,338.07 to administer the collection of these funds together with the commissions which you paid?—A. That is the departmental charge.

Q. Have you any supervision over that?—A. No.

Q. They just say that is what you are going to get and that is all you get?—A. That is what we get.

By Mr. Hanson:

Q. The other day I was asking for a breakdown of the personnel and a comparison of this year with last year. If we had that it would probably give us some idea where the increase comes in, whether it is in staff, programs, station networks, engineering or general administration. I suppose that takes in all of the personnel. I should like to know how many were on last year and how many are on this year. I was told the other day that would come under the financial report.—A. The staff has increased from March 31, 1942, to June 30, 1943, from 657 to 734.

Q. What is that?—A. From 657 on March 31, 1942, to 734 on June 30, 1943. Now, I do not know how much further of a breakdown you wish. I can tell you how these are made up.

Q. What branch has increased; there is an increase of about 18?—A. I have not got the increase by departments, Mr. Chairman, but that could be furnished. I have broken it down into the different departments for this year, but I have not the general increase.

Q. You also show the operating expenses have increased, general administration. There are some rumours around, whether they are right or wrong, that there has been quite an increase in some of the travelling expenses for some of the officers. Could we have that?—A. What is the statement, Mr. Chairman?

The CHAIRMAN: Repeat that, please.

The WITNESS: What document are you referring to, Mr. Hanson?

Mr. HANSON: I am dealing with the financial report.

The WITNESS: Yes.

By Mr. Hanson:

Q. What I would like to have is the increase in the personnel, which we have not been given a breakdown for, and also the increase in the administration, the general expenses, like travelling expenses, etc., hotel bills, and so forth.—A. Yes. "By object"—that is the breakdown of expenses as between 1941-42 and 1942-43. The decrease for advertising is \$147; artists' fees have increased by \$89,872; announcers' and producers' services are down by \$176; automobile expenses down by \$1,631; duty entertainment an increase of \$1,220; exchange increased by \$161; donations and prize money an increase of \$1,172; freight, an increase of \$1,883; fuel has gone up by \$493; honoraria have increased by \$1,033.

By the Chairman:

Q. What is the total amount of honoraria?—A. The total amount of honoraria is \$7,225.

By Mr. Coldwell:

Q. That is paid to whom?—A. Special people taken on the staff. I understand this is for payments made to people who are not actually on the staff, but who may be on temporarily for different kinds of appointments. I can give you the breakdown of it, Mr. Chairman. The figure includes also the statutory fees paid to members of the Board of Governors.

Q. I wonder to whom this was paid and how.—A. It is for services rendered and it is paid generally under the title of "honoraria." I suppose that is a high sounding title for remuneration.

Q. Yes, it is.—A. But it is always for services rendered. We can get a breakdown.

Q. It is not a large amount.—A. No.

Q. I wondered what honoraria were paid and why?—A. For insurance there is an increase of \$4,388; incidentals an increase of \$165; for interest a decrease of \$12,194; light and power a decrease of \$791; for local loops an increase of \$2,662; local transportation an increase of \$729; maintenance of technical equipment an increase of \$8,849; maintenance of buildings and grounds an increase of \$325; for general maintenance a decrease of \$1,227; maintenance of tubes a decrease of \$23,162; membership fees a decrease of \$164; for music an increase of \$1,498; for manuscripts and plays an increase of \$25,304; for periodicals and magazines and papers an increase of \$1,402; performing rights increased by \$1,910.

By Mr. Boucher:

Q. What did you pay for performing rights altogether?—A. \$72,960. Photographs and blue-prints increased by \$6,548; postage and excise decreased by \$68; printing and stationery increased by \$5,101; professional fees and legal expenses increased by \$669; listeners' surveys decreased by \$88; for maps and games \$11,551 increase. That possibly needs some explanation. It is really for publicity. You remember we put out what has been generally regarded as a very excellent war map, which was available to our listening public, and that accounts pretty well for the expense. I think it is probably an expense that goes to publicity.

By Mr. Coldwell:

Q. How many of these maps did you sell?

Mr. WEIR: About 100,000.

Mr. COLDWELL: That is really a way, is it not, of finding out your listening public?

Mr. WEIR: Yes, there were two purposes in connection with it: one was to ascertain the coverage of the station, and the other is a publicity media, two combined in the one issue.

The WITNESS: An increase of \$5,281 in records; for recording blanks an increase of \$3,275; reserve for bad debts a decrease of \$2,278; removal expenses an increase of \$4,288; an increase of \$10,433 for the rental of buildings for floor space; for the rental of equipment there has been an increase of \$44; for the rental of halls and studios there has been an increase of \$2,336; for the rental of musical instruments an increase of \$502; on personnel, that is, salaries, an increase of \$184,092; and an increase in secretarial and casual wages of \$7,064; an increase for program originations, station charges—i.e. where you originate the program from a private station and you pay the charge for the cost of origination,—\$2,388.

By Mr. Coldwell:

Q. What was the total of that item?—A. The total of that item is \$8,270; for station lines, an increase of \$955; for teletype services an increase of \$738; for taxes, water rates and services an increase of \$372; for telegraphs and cables and increase of \$7,631. That is largely made necessary through the character of present-day operations and so many overseas relations. Telephones, an increase of \$3,459; for transmission lines, an increase of \$35,204; for travelling expenses an increase of \$4,640; then the improvement to leased property, \$32,823; and then the contingent expense of \$25,000 for the damages that were awarded against the corporation in the Gooderham and Worts case.

By Mr. Coldwell:

Q. What was the increase for salaries?—A. The increase for salaries is \$184,092. The amount spent on salaries in 1941-42 was \$1,233,888; and for 1942-43, it was \$1,417,981.

Q. Does that mean the staff has been enlarged?—A. There are two causes for that. As I pointed out, the staff has been enlarged, and also there has been a natural increase, if one may so call it, of salaries, because we have a scale of salaries and we have a young staff, and they are on that scale.

Q. The salaries which have been paid, as far as I have been able to find out, are not comparable to the salaries paid in other places. They are not high.—A. I am afraid we often find that to our disadvantage; because in certain cases of private broadcasting, particularly in the entertainment line, the remuneration may be very great. We have our staff on a fixed scale of salaries, and of course under the wartime regulations these salaries are frozen.

Q. Yes.—A. And consequently we cannot do anything about entering into competitive increases. Sometimes it has been very difficult to retain some of our men who get very attractive offers from private organizations.

Q. This may have come up last week. I am sorry I was not here then. I was going to ask if you were having any difficulty in holding your technical men and so on. Does selective service give you any leeway in that regard?—A. Not a great deal.

Q. Has that question ever been asked before? Perhaps it has.—A. No sir.

Q. I see.—A. We are probably under unusual disadvantages. We are in a young type of activity; naturally radio attracted younger men. Consequently I would say, without any accurate figures before me, but just simply from general observation, that on the whole the type of person we have had in our organization has been younger than is the case in most organizations. We have been in operation for only a very short time, and naturally younger men came into it.

I am proud to think that quite a number of these young men have voluntarily offered their services to their country and have gone off into one or other branches of the services. Others have made themselves subject to call like other young men. We have had representations made to the Department of Selective Service and for certain vital men who are on the technical staff, it is recognized there should be a certain amount of remission or deferment of call. However, the young men are a little uneasy because there is no absolute deferment of call for anybody.

Q. It is not the same as with the B.B.C., where they have practically frozen all their technical men?—A. Oh, no. They are not frozen. On the contrary. As I say, even where they secure deferment for a certain period, there is a certain uneasiness with many of these young men who feel that they want to go and yet want to do their duty in the way that seems clearest. We have brought in a considerable number of young women, some of whom are on the operative staff, working the control panels and engaging in a number of occupations that men normally would be working at. For example, we have introduced a number of women announcers. We get a great many complaints from the public about that, but I think it is not a bad thing to suggest to the public, even through women announcers, that after all there are more important things than announcing that some men may be doing at the present time. But we operate under considerable difficulty. Nevertheless, we are carrying on.

Q. I was thinking more particularly of the technical men. In my opinion, broadcasting is essentially a war service. It is an essential war activity, and it seems to me that some consideration should be given to that. I am told that in Britain, for example, there are certain fields, such as this one, which are regarded as essential war operations, and the men are pretty well frozen in those positions on account of the fact that they are regarded as essential to the operation of the B.B.C.; and they are young men at that.—A. Well, that is true of a certain limited number of men on the C.B.C. Of course, there is no absolute deferment for anybody, as the minister will tell you.

Q. Oh, no.

Hon. Mr. LAFLECHE: And will maintain.

WITNESS: Yes. But we have an understanding with selective service in respect to certain key technical men.

By Mr. Coldwell:

Q. That was what I was getting at.—A. The understanding is that they will be retained for us.

Q. What about changing from the C.B.C. to corporations? There is no understanding about it, is there?—A. They have made their representation also, I understand, to the Department of Selective Service, and they have come to their own understanding with them. I believe they have pretty well the same understanding with them.

Q. I did not mean quite that. I meant with regard to your own loss to private organizations.—A. Oh, well.

Q. Do men lose, shall I say, their deferment if they go from their present position to another one not within the corporation?—A. No; not so far as I know. It is largely a question of more attractive remuneration. I am thinking now of some highly paid men. I think it should be understood, Mr. Chairman, that in radio broadcasting, particularly in the field of commercial broadcasting, there are some pretty high remunerations paid far in excess of what we are paying in the Canadian Broadcasting Corporation. In that way it is sometimes a little difficult to keep your men who prove themselves to be very capable, and who receive very attractive offers.

Q. You should make some adjustment.

By Mrs. Casselman:

Q. Would these offers be from Canadian or American firms?—A. They are from both, but largely from Canadian private firms. Radio broadcasting in a commercial sense has become a very lucrative business; and there are, some times, almost fabulous fees paid to performers and participants in programs.

The CHAIRMAN: Excuse me for just a moment. May I revert to the matter that Mr. Ross brought up, and point out that the difference in the Department of Transport figures and the figures which were given was \$34,350.

Mr. Ross: That is right.

The CHAIRMAN: The Department of Transport, in this statement with which we were presented this morning, has given only the figure for the issue of private receiving station licences and it did not include the figure for commercial broadcasting. That makes up the difference of \$34,350.

Mr. COLDWELL: That will have to be discussed with the Minister of Transport, then. It is a matter of licence fees.

The CHAIRMAN: If you wish to. I am just pointing out where the discrepancy is in the two sets of figures, and that the amount of \$34,350 for commercial business makes up the difference.

By Mr. Hansell:

Q. While we are at it, Mr. Chairman—and I am not looking for discrepancies—I do not quite understand two sets of figures here. On page 60 of the evidence, about halfway down, I find, "Our two major sources of income show a slight increase. . . . The total number of radio users represented by licence fees is \$1,728,880." In this statement given here to the Board of Governors, the licence fees collected there is \$3,701,690.24. There must be two sets of figures—at least, they cannot be the same?—A. One is licence numbers.

The CHAIRMAN: One is dollars and the other is number of licences.

Mr. HANSELL: Oh yes, I see. Thank you very much.

By Mr. Hanson:

Q. In connection with travelling expenses, what was the total amount of travelling expenses in 1941-42? It has increased this year \$4,600, you said. What is the total?—A. The total for travelling in 1941 to 1942 was \$111,715; and from 1942 to 1943 was \$116,356.

Q. Could you tell us what the increase of \$4,600 was for?—A. There are various things that contribute to that. You have members of the board who have to come to four or five meetings, sometimes six meetings. Then we have been introducing some of these features such as trying to present the entire Canadian picture. For example, there was that rather outstanding feature, "Our Canada" last year, a series of programs that represented the whole Canadian picture. That means sending people across the country. Then in our series of "Things to Come" we tried to represent discussions originating at various points across the country. It is a costly business. Then, of course, there is the cost of sending an overseas staff to Great Britain.

Q. That is also included in that?—A. That is also included. All these matters, in toto have made an increase of \$4,640.

Q. There is another matter which I should like to refer to. There is an increase of 77 in personnel. That is perhaps 10 per cent. Would you give us an idea of what that increase is, or in what department it is? I suppose you have that there. That is a big increase, 10 per cent in one year, when we are short of manpower, especially.—A. I have not that actual information available, Mr. Chairman. I have not it broken down by departments. It can be obtained.

Q. Where would you say the biggest increase was? Was it in the engineering department or in the program department?—A. I think undoubtedly in the program department.

Mr. HANSELL: Mr. Chairman, I wonder if that typographical error has been pointed out which I mentioned a little while ago?

The CHAIRMAN: What page?

Mr. HANSELL: Page 60. There is a dollar sign there which should not appear.

The CHAIRMAN: Yes. That is wrong.

Mr. HANSELL: On page 60, in the middle of the page, there is a dollar sign before 1,728,000.

The CHAIRMAN: Yes, "Total number of users represented by licence fees".

The WITNESS: That should be 1,728,880.

Mr. HANSELL: The dollar sign should not be there.

The CHAIRMAN: Exactly. That is where Mr. Hansell made the error.

The WITNESS: Yes. That is the explanation.

By Mr. Hanson:

Q. What is that miscellaneous income? Where does that come from?

The CHAIRMAN: That is at page 79 of the statement there—\$25,026, miscellaneous income.

The WITNESS: Miscellaneous is made up as follows: interest on investments, \$12,500; rental on dwellings, \$6,241; bank interest, \$3,983; and sundry small items, \$2,800.

Mr. HANSELL: Might I ask if the term "commercial" here might be elucidated a little bit. I am referring again to this report, Dr. Thompson.

The CHAIRMAN: That is the same as is published on page 79.

Mr. HANSELL: Oh, I did not know that.

The CHAIRMAN: In the appendix.

By Mr. Hansell:

Q. Under the heading of income, you have income from "commercial", \$1,204,000?—A. Yes.

Q. Then under the heading of expenditures, the next item, you have "commercial", \$102,000.—A. Yes. The \$1,204,644 is our income from commercial operations.

Q. Yes.—A. That is our proceeds from commercial broadcasting; whereas the \$102,015 represents the cost of operating our commercial department.

Q. Oh, I see.

By Mr. Coldwell:

Q. I was going to ask you about expenses. What is the basis upon which your expenses are paid?—A. My expenses?

Q. Yes.—A. My expenses are paid upon the presentation of vouchers.

Q. I know. But is there any basis of a per diem allowance or anything?—A. No. I have no per diem allowance.

Q. You turn in your vouchers?—A. I turn in my vouchers. If I go to a hotel and stay there, I turn in my hotel bill. That is when I am away from home, away from Ottawa.

Q. Yes?—A. And that is all.

Q. That is all?—A. Yes.

By Mrs. Casselman:

Q. When the Board of Governors come down here, may I ask if they are limited as to the time they spend here? Do they turn in vouchers the same as you do?—A. They turn in their vouchers for their expenses, and they are

paid on presentation of vouchers. Some of them, when they are down here, spend a few days looking into the activities of the corporation. They make themselves acquainted with the various activities, and they go through to Toronto to see what is going on in the program department and keep themselves in touch in that way. Consequently they run over the actual days of attendance at the board meeting.

Q. There is no limit to the number of days?—A. No. It has never been a matter of limitation.

Q. I should think it would be a good plan to let them familiarize themselves with the plant, so to speak, unless there were any abuse of that in any way.

By Mr. Coldwell:

Q. What is the honorarium paid to the governors?—A. \$50 per meeting. That is fixed.

Mrs. CASSELMAN: The same as last year.

By the Chairman:

Q. And expenses?—A. And travelling expenses.

By Mr. Hanson:

Q. What about those expenses? Are they checked by anybody? Are they checked by you as general manager?—A. They are duly submitted to our treasurer's department and in turn I should point out that every voucher is audited by the Auditor General's department. Our accounts are under a continuous audit by the Auditor General's department. Expenses allowed are hotel bills, accommodations, meals and small amounts like gratuities for porters and so on.

By Mr. Hansell:

Q. What constitutes a meeting of the Board of Governors—a session, a day or what?—A. A meeting duly called by the chairman constitutes a meeting.

Q. Suppose it lasts a week.—A. I do not think that eventuality has yet emerged.

Q. I do not mean sitting all day and all night for a week. Suppose they are called down here for three days. Would they get only \$50.—A. They get only \$50.

Mrs. CASSELMAN: And their expenses.

Mr. HANSELL: Yes. I do not think that is enough, myself.

Mrs. CASSELMAN: No. It is certainly not any big salary.

By Mr. Coldwell:

Q. Last year we had a considerable discussion on the relationship of the Auditor General to the department of the treasurer. Does the same relationship exist this year as existed a year ago or has there been any change at all?—A. I am not aware of what the relationship was last year.

Q. Well, I remember the treasurer last year thought it was his duty to present certain vouchers to the Auditor General and the Auditor General's department considered that their function more or less ended if an expenditure complied with the Act, regulations and so on. Last year we had a discussion as to whether or not it was the duty of the treasurer to scrutinize the accounts and whether it was the duty of the Auditor General to refer back to the Board of Governors anything which he thought was outside the right of the corporation or individual to spend.—A. As I understand it, the Auditor General is concerned, first of all, with the proper auditing of the accounts.

Q. Yes.—A. That all matters of expenditure are properly vouched for, are accounted for and come under the budget. There could come up and from time to time there have come up items that he might consider to be a little beyond what might be properly regarded as expenses. But his primary concern is to see that everything is vouched for. Then, within our own organization, if the treasurer is in any doubt about any matter as being not quite a proper expenditure, he comes and consults with me. If I in turn am not quite sure that such items of expenditure come under what might be called normal administration, I have a finance committee and such accounts are submitted to them for consideration and passing.

Q. That is a matter of policy now?—A. Yes.

Q. That is all right.

By the Chairman:

Q. What constitute your investments, Dr. Thompson?—A. Dominion of Canada bonds.

Q. They remain about the same?—A. Yes.

Q. When you receive the licence fees from the Department of Transport, is that paid in one block or in monthly instalments or what happens?—A. The amount is deposited in the Bank of Canada to our credit; and we make requisitions, month by month, through the minister, to the Bank of Canada for such moneys as we require.

By Mr. Hanson:

Q. That is the Minister of War Services?—A. The Minister of National War Services.

Q. That is as to the money that is requisitioned. But the money that is paid to the bank is through the Minister of Supply, is it not?—A. No sir. He does not come into the picture.

Mr. BOUCHER: The Minister of Transport.

The WITNESS: He is concerned about licence fees.

Mr. HANSON: Yes.

The WITNESS: He collects them. Our money is deposited in the Bank of Canada for our credit. We make requisitions through the minister from month to month for the amount that we think we shall require.

Mr. HANSON: I still do not understand. The Minister of Munitions and Supply collects the licence fees.

Mrs. CASSELMAN: No.

Mr. HANSELL: It is the Minister of Transport.

Mr. HANSON: The Minister of Transport, I mean. He deposits the money to your credit in the bank. When you want any money, it is through the Minister of War Services you draw it out. Is that the idea?

The WITNESS: That is correct.

Mr. DUROCHER: At the end of the year whatever amount is in the Bank of Canada or other bank, is included in this balance here; for instance for 1943 it is \$205,114.48. That would be the balance in your own bank?

The CHAIRMAN: No. The other is "cash in hand."

The WITNESS: That is the amount we are credited with in the Royal Bank of Canada.

By Mr. Durocher:

Q. That is both in the Bank of Canada and your own account?—A. Our own private bank, or rather, not private but the corporation bank is the Royal Bank of Canada. That is where we carry on all our operations like payments

of cheques to artists, and that kind of thing. We operate through the Royal Bank of Canada. But for the purpose of holding the amount of money that comes in through licence fees, that is deposited in the Bank of Canada.

Q. But you figure that as being your own funds as well.

By Mr. Chevrier:

Q. You separate those two accounts. Is not that balance of licence fees, the last item in the Bank of Canada?—A. Yes. That is standing to our credit. That is standing to our credit in the Bank of Canada; and the other, of course, is our Royal Bank cash in hand.

By the Chairman:

Q. What makes up your accounts receivable? Are they deferred payments for commercial advertising?—A. There are always accounts receivable. At the end of our operating year, when we close on March 31, there is inevitably a considerable number of accounts receivable. There is also a number of payments outstanding. It is just simply that you close on a certain day, and that is the amount that is still to come in. You will find also, I think, there is an item for accounts payable of \$289,000.

Q. Yes. Whom do you owe that to? That is money you owe?—A. Well, it is a matter of current payments.

Q. What I want to find out with reference to your accounts receivable is this. They are good accounts which you consider will be paid?—A. Yes.

Q. Are they deferred contracts payments for commercial advertising?—A. Oh, there are all kinds.

Q. Advertising and the like of that?—A. There are all kinds of accounts in the complicated operations of a business like this. For example, at head office, there is reckoned to be accounts receivable at March 31, 1943—that is, our headquarters organization—\$329,863; CBL, Toronto, \$2,541; CBR, Vancouver, \$152; CBJ, Chicoutimi, \$1,484; CBM, Montreal, \$4,335; CBO, Ottawa, \$357; miscellaneous, \$890. It is a matter of closing on a certain date. There is a whole lot of money still outstanding to come in.

By Mr. Chevrier:

Q. What is the percentage of that which is recoverable?—A. It is all recoverable.

Q. For instance, in 1940 there is shown, for accounts receivable, \$198,888.31. How much of that has been recovered or paid?—A. We do not incur many bad debts.

By the Chairman:

Q. That is the point we want to find out about, as to whether these accounts receivable are really good accounts.—A. Oh, yes. I think this might give you the information you wish to have. Of that \$329,863 of accounts receivable in the head office, the amount that has been incurred under three months is \$321,266; but the amount that has been incurred under six months is \$7,706, and the amount that is receivable over six months is \$890, which I think is not bad.

Mr. COLDWELL: That is good.

By the Chairman:

Q. Yes. That is good. With reference to the fixed assets here, the amount of \$800,000 approximately, may I ask if that is above the reserve?—A. Yes.

Q. That does not take into account your reserve?—A. No, that is fixed assets, buildings, equipment, studios, office furniture; it is literally fixed assets.

Q. You have reserve set aside?—A. That is after reserve is taken off.

Q. That is the net?—A. Yes.

By Mr. Hanson:

Q. You have one million dollars less now than in 1940?—A. As I explained in my original statement, Mr. Chairman, there is a considerable amount for depreciation. As a matter of fact on technical equipment we allow a rate of 20 per cent for depreciation and in the matter of buildings a rate of 5 per cent.

Q. You still have practically the same amount as you had in 1940, when depreciation is taken off?—A. Yes.

By the Chairman:

Q. Is your real estate reserve included in the \$400,000, renewals?—A. No.

Q. Where is your real estate reserve shown or do you set up any special—
A. We have no special account for that; we have no reserve set up for depreciation, just simply an amount set up for reserve.

By Mr. Hanson:

Q. We do not owe anybody anything in 1943; the loans have all been paid back?—A. As I explained to you, sir, we can look the whole world in the face for we owe not any man.

Q. I hope we stay that way.

By Hon. Mr. LaFlèche:

Q. What is the explanation for the difference in the slightly reduced amount shown as investment?—A. They are shown the same, sir, from 1942 to 1943.

Q. I notice in 1940—A. We sold those and bought new ones. The \$506,722 that we had invested in 1940 was sold and consequently you will see there is no investment in 1941, but we made a reinvestment in 1942, a new investment altogether.

The CHAIRMAN: That is the item that we discussed last year, you remember.

By Hon. Mr. LaFlèche:

Q. There is a sensible reduction in the amount shown for real estate, buildings, equipment, studios, office furniture and so forth. Would that be the result of depreciation written off?—A. I explained, sir, that we write off 20 per cent for technical equipment and 5 per cent for buildings.

Q. Thank you. We skipped over this somewhat earlier, but I was wondering if I could bring up the question of women announcers. May we have some information about complaints, if there have been any, about women announcers? It is an interesting point. We approach perhaps the worst part of the war, but this practice will be carried on for some time anyway, how long, we do not know. Is there any real objection to women announcers?—A. No, sir. I received a letter this week—three irate letters in fact, which were very carefully addressed to me personally, asking that we should take these women off the air.

By Mr. Coldwell:

Q. Were they all from men?—A. No, strangely enough, they were not all from men. I always reply pointing out possibly the men who would normally be announcing are doing something more important.

By Hon. Mr. LaFlèche:

Q. That is just the point. In view of that fact I think we should be grateful to the women. Have you any policy with regard to returned soldiers?—A. We have no definite policy, Mr. Chairman.

Q. Have you a practice?—A. We have a practice in which if a returned soldier is available for a job quite naturally the preference will be given to him, and I hope that as the returned soldiers do come back we may be able to absorb some of them into our establishment.

Mrs. CASSELMAN: Have you finished with the financial statement?

Mr. Ross: I have something to say about the financial statement.

Mrs. CASSELMAN: I have something I should like to bring up with Dr. Thomson before he goes, but it is not on finances.

By Mr. Ross:

Q. I have the report made by Clarkson, Gordon and Dilworth some years ago, which contains the following recommendation: "That the treasurer be designated as financial controller, with enlarged duties and responsibilities." Reasons were given for that further along in the report. I always felt that some of the difficulties that the treasurer had, some of the criticism the treasurer was faced with last year was due to the fact he was more or less in the position of controller and yet he was not a controller, his duties were not very definitely defined. Then a few moments ago the general manager said that the accounts were audited by the Auditor General. I just wondered how far it goes, because the Auditor General is limited, as I understand it, by the Audit Act. I have always felt there should be a financial controller; I think the Board of Governors should do something in that regard. Originally they had a financial committee, which was not legal. I think Mr. Nathanson in his lifetime had a great deal to do with financial control. The suggested set-up by Clarkson, Gordon and Dilworth provided for a financial controller's department, financial accounting, budget, office management, revenue surveys. I wonder if that all comes under the treasurer at the present time or who is responsible for it. This report that I am now referring to was made by one of the most reputable accounting firms in the country. I have often wondered why that part of the report was not followed. Perhaps it has been followed. Would the general manager let us know what the situation is, because I am not sure in my own mind whether the Auditor General's audit would be the same as an audit which would be made by a private auditing corporation? The Canadian National Railways, for instance, found it necessary to have an outside auditor; they do not use the Auditor General. I wonder if the general manager can tell us something about that?—
A. We act under both the Canadian Broadcasting Act and the by-laws. According to section 19 of the Canadian Broadcasting Act:—

19. The Corporation shall establish and maintain an accounting system satisfactory to the Minister and shall, whenever required by him, render detailed accounts of its receipts and expenditures for such period or to such day as he designates, and all books of account, records, bank books and papers of the Corporation shall at all times be open to the inspection of the Minister or of such person as he may designate.

Then may I read section 20:—

20. The accounts of the Corporation shall be audited by the Auditor General of Canada and a statement of such accounts shall be included in the annual report of the Corporation.

Now, under the by-laws, under the heading of "The General Manager", by-law 7 (4) reads as follows:—

He shall from time to time prepare such reports of the activities and finances of the Corporation as the Board of Governors may request.

And (5):—

On or about the first day of January in the year 1937, and thereafter upon such dates as may be determined by resolution of the Board of Governors, he shall submit to the Board of Governors an estimate of the receipts and expenditures of the Corporation for the following fiscal

year, together with his suggestions for the development of the work of the Corporation, such estimate to contain a detailed statement of any financial requests to be made to the Government.

(6) As soon as possible after the end of each fiscal year, a report containing such information as may be required to enable the Corporation to comply with Sections 20 and 26 of the Canadian Broadcasting Act shall be submitted to the Board of Governors at such time as the Board may require.

Now, that is a statutory and by-law provision.

Last year, Mr. Chairman, there was very considerable criticism made in the corresponding committee about what was called "divided management and divided control", and when I became general manager one of the first things I did was to ensure there should be no longer any continuance of divided control. And while I hope I have been wise enough to delegate responsibility I have endeavoured so far as possible to maintain control over the whole organization including financial control. If I may say so, sir, I think that is quite vital. To my mind the treasurer's duties are very clearly defined. He is the treasurer; that is to say, he pays on authority; he receives on authority; he is accountable to me for all such transactions. His books are duly audited under the terms of the Broadcasting Act by the Auditor General's department, and I am satisfied with that audit.

Q. Is that a running audit?—A. A current audit, a running audit. The Treasurer operates under definite authorization that is set up to pay accounts, and he makes his monthly report to me in such detail as I may require. That detail consists in a general statement as to where we stand, a detailed statement of all budgets, expenditures and all amounts received. I question him upon the details of these amounts and where I require further information it is given to me. That is the system that is adopted at the present time.

Q. I do not mean that you should have any divided control or anything like that because the chart suggested by the firm of Clarkson, Gordon and Dilworth to the Board of Governors provided for a general manager as a general manager and under him various officers down to controller. I suppose virtually what you have done is this: you have definitely laid down the treasurer's duties and definitely defined them at the present time?—A. Yes.

Q. I felt when we were examining the treasurer last year a little injustice was done him. I do not think he had his duties laid down sufficiently, and I am glad to hear what you said a moment ago.—A. If I may enlarge a little further, we have general control. Dr. Frigon has a good deal of detailed knowledge and naturally I have used that knowledge and experience in the detailed administration; but again Dr. Frigon has been very careful and very cooperative in reporting in detail on all such matters as I have asked him to present to me.

The CHAIRMAN: Are there any further questions?

By the Chairman:

Q. It was said that last year the private stations had received a total of \$787,000 for commercial work through the C.B.C.; would you give us a rough breakdown as to what stations got that?—A. Well, I read them off to you, sir; it is a lengthy statement.

The CHAIRMAN: Would the committee like to have that included in the record?

The WITNESS: It may be put on the record.

Agreed—(See Appendix No. 1)

By Mr. Coldwell:

Q. Have you the same basis of payment as last year; the station gets a certain fee for the program?—A. On any net-work broadcasting.

Q. Have you the same—A. It is the same rate card.

Q. What about your own rates?—A. The same rate card, the rates have not been revised.

By Mrs. Casselman:

Q. I should like to go back to CKUA and ask a question or two with regard to it.

The CHAIRMAN: Are there any further questions with reference to the financial statements?

Mr. HANSON: I asked a question about the breakdown of personnel. Is that going to be put on the record? We have the information and I should like it to be put in the record.

The CHAIRMAN: All right, that will be done.

The WITNESS: You want that put in the record?

Mr. HANSON: It is available here.

The CHAIRMAN: You do not want the detail of every employee?

Mr. HANSON: No, just the percentage for the different departments. There is an increase of 10 per cent and I should like to know how it affects the different departments.

The CHAIRMAN: You would like to know where that increase is?

The WITNESS: That will be down for the next meeting.

Mr. HANSON: If it is put on the record that will be satisfactory.

Agreed—(See Appendix No. 2)

By Mrs. Casselman:

Q. I am still concerned with station CKUA. You remember I asked you something about it a while ago. As you know, they think they have not got a contract that is workable from the C.B.C. Now, CKUA is a most valuable station from a good many points of view, I consider, and I would very much regret seeing its activities cut down. At the last meeting Dr. Thomson said that the station on the network in Edmonton did not always carry all of the programs. Are all the programs, say, of an educational nature carried by CJCA, or would there be some programs that could go over CKUA so that CKUA's income might be increased thereby without going too much into the commercial field? Would there be a possibility of the educational work, if there is such that is not carried now by CJCA, being carried by CKUA that would give them more income without their going into the commercial field if that becomes impossible? I know it is still in the state of negotiation and I do not know how far it has been carried yet.—A. Mr. Chairman, what Mrs. Casselman has alluded to is correct. The stations which are on the network do not necessarily carry all the C.B.C. programs; they carry commercial features and to a certain extent what are called sustaining features; but as a matter of fact in the city of Edmonton last year one or two of our important educational programs were not carried by our network station.

Q. That is why I am making these inquiries.—A. But I am very glad to say, largely due to the personal interest of the president of the university, who is deeply interested in radio and who was the chairman of our committee on reconstruction, he was able to get the programs presented to the audience around Edmonton because we relayed those through station CKUA. Now, these programs of a sustaining nature are not paid for to any station by the C.B.C. We offer the services, and we have never made any remuneration to the stations

concerned. The question of how far we should reimburse or pay a subvention, if you wish to call it so, to station CKUA was discussed and the Board of Governors after full consideration believed that the only possible basis for CKUA to continue its operation under its financial embarrassment would be through making application for a commercial licence. When they did so the Board of Governors placed upon that commercial licence the restriction to which I alluded at the last meeting. Station CKUA authorities have not felt that such an arrangement is acceptable, and I understand, I regret to say, they are not operating; they followed the usual practice of closing down for the summer and they will not be operating again until September.

Q. Well, now, is the educational program carried by other stations of the network outside of Edmonton? I do not like to see our Edmonton audiences losing that which I think is a very valuable part of the C.B.C.'s work. I am very, very anxious to see the educational program as widely distributed as possible. Is there any other province in Canada that does not get the educational program?—A. You are referring, I think, Mrs. Casselman, to sustaining features of an educational character?

Q. Yes.—A. They are not necessarily carried by our basic network stations and where any particular audience is not within reach of one of our high powered stations then, of course, such service is not available to them. The city of Edmonton is not reached at all times by station CBK.

Q. At Watrous?—A. At Watrous. The coverage is not complete, particularly through the day, as I understand it. Certain very good sets may be able to pick up station CBK, but the coverage is not complete and consequently, for that particular reason, in certain of the prairie provinces we are not at all times able to get the complete coverage we would desire.

Q. Have you had any listeners' surveys in any other district to find out how many would listen in to your educational programs, say the district around here, where the educational program goes over, is it acceptable generally? —A. Well, it depends upon what standard you are comparing them with. Nobody pretends that some of these educational features command the same audience as some of the more popular entertainments. There is always an audience for that, but, as I suggested at the last meeting, we are not led in our policy by consulting for any great general popularity. We have particular types of audiences to whom we address particular types of programs. For example, our very high-class musical features are not appreciated by a great number of our people. May I give an example of two instances over the same station? Within five minutes there were two successive telephone calls received, one from a lady saying, "When will you take that hockey off the air? Have we got to listen to hockey all the time?" Within five minutes somebody called saying, "Will you continue giving us that grand opera to which nobody listens?" You have the person who wants hockey and the person who wants opera.

By Mr. Coldwell:

Q. Is it not a bad thing to have this station closed down in the summer?—A. I deplore it.

Mrs. CASSELMAN: It has always done that.

By Mrs. Casselman:

Q. What I had in mind was this, if the regular station out there is not going to carry this sustaining work, such as educational programs, if it is not going to get through to the listening audience, would it be worth while to insist upon stations on the network carrying the program, or pay some other station to carry it, where it is definitely wanted by a part of the listening audience?—A. Well, there are two questions there, the first is that of making a program

mandatory. We have a certain amount of what we call reserve time for our basic network stations, during which time it is mandatory that they take our C.B.C. programs. On the other hand, we recognize that these are also private stations, they are in the commercial field, they have to make a certain income to keep themselves going, and there is a certain period of time during which our programs are not mandatory. That has been a matter of arrangement and it seems that it is the best arrangement that can be made.

The second question is concerned with the payment to stations for carrying our programs. That practice has never been adopted. For some reason or other, probably quite good reasons, we have never paid private stations to carry our programs, at least we are not doing it now, and I think possibly the Board of Governors have come to the conclusion that it might be a difficult practice to adopt in any general way.

Q. I am sure it would.

By Mr. Durocher:

Q. Do you not at times relay broadcasts over CKAC in Montreal, to points around Montreal?—A. I suppose there are big events of national importance, such as a speech by the Prime Minister or Mr. Winston Churchill or Mr. Roosevelt, that would be done in that way.

Q. That would be broadcast in conjunction with your own station or separately?—A. Well, it is made available to all stations in Canada.

Q. At the same time?—A. Yes, if it is a big important feature like an address by some outstanding figure.

Q. There would be no rebroadcasting from other stations of the same program that went over the air over your station?—A. Sometimes these big national features of international importance are rebroadcast later on.

By Mr. Chevrier:

Q. That is what happened in the case of Mme. Chiang Kai-Shek?—A. Yes.

By Mr. Durocher:

Q. In such cases you pay the other stations?—A. No.

Q. They do it on their own?—A. We supply it to them as a service.

By Mr. Ross:

D. Do they pay you sometimes for programs?—A. No, this is a service.

By Mr. Coldwell:

Q. I can see the difficulty of paying any of these non-commercial stations like university stations. How many are there in Canada?—A. There is only one now that is definitely university.

Q. And that is CKUA?—A. That is CKUA, which has a board of governors under the university. There is a station in Antigonish that is loosely connected with the university but not directly.

Q. What I was thinking of was this, could a policy be considered whereby a university station directly under the control of the university authority may be considered on a different basis from a station operating as a commercial station and hence could receive some help from the corporation in the way Mrs. Casselman suggests?—A. That is a matter of the board's policy. Mr. Chairman, and having taken all these facts into consideration and having come to the decision which they have arrived at—

By Mrs. Casselman:

Q. Such as a commercial licence?—A. Having recommended that the application of station CKUA for a commercial licence be granted and that was assented to by the minister—

Q. Only under certain conditions.—A. With the limitation to which I referred last week—

Q. What I am interested in and anxious to see is that they continue on a workable basis.

By Mr. Coldwell:

Q. Could you not have a purely educational licence and a contribution made from the corporation to such station to carry educational programs and do educational work?—A. I think that is a possibility; that is a matter that would need to be considered by the Board of Governors.

Q. Could you bring it before the Board of Governors and get that determined?—A. It could be brought.

Mrs. CASSELMAN: It would be within our purview to discuss that amongst ourselves and to make our recommendations.

The WITNESS: I think it would have more authority coming from this committee, if in its wisdom it saw fit to do so.

By the Chairman:

Q. How many universities have that?—A. I was saying that the University of Alberta is the only university which now has directly related to it a station. Queen's university did have a relationship to a station at Kingston. I believe that has now ceased. Then there has been a new station erected in Antigonish in Nova Scotia which has a certain relationship to St. Francis Xavier university. But they have set up a subsidiary organization which is in effect independent of the university

By Mr. Coldwell:

Q. Is that not probably due to the fact that there is no other arrangement possible in order to finance the university station?—A. That is correct.

Q. Should we not try to encourage the universities to establish educational stations to which people can listen in the area served by the university?—A. I think that there is a good deal to say for it. Naturally I am prejudiced in favour of educational programs.

Q. I am thinking of the schools. The time is coming, I think, when radio will be used a great deal more in the schools than formerly; and if we had educational stations in the universities, they could do a good deal of the educational work for the schools?—A. The only point that one sees arising out of this—and I am sure it was before the Board of Governors when they came to their decision—is that we have a considerable number of universities in Canada; and if you began paying to universities in aid of educational programs, it may be something that is easier to begin than to extend. I think that was very much before the Board of Governors when they came to their decision.

Q. It is one of those services that I think is essential in the public interests.

By the Chairman:

Q. Is it not a fact that Queen's university were glad to get rid of their station?—A. They ran into difficulties, particularly in commercial operations; they felt that although there were certain commercial operations that might be worthily entered into by a non-academic station, for an academic station it was not quite the thing: for example, on the question of patent medicines.

By Mrs. Casselman:

Q. I know it would be difficult for CKUA, because my understanding is—and I know it was true a few years ago—that none of those who spoke over CKUA were paid. Those artists were not paid. The professors of the university gave their time freely. Their forums were carried on with no one paid. I

suppose if you once made a grant, perhaps there would be some question whether the grant was large enough to allow remuneration for the artists or not. But still I should like to see you explore every possibility in the Board of Governors. —A. I agree that it is very desirable that this service should be continued to the people, because that particular station has done excellent service.

Q. I think it has.

By Mr. Durocher:

Q. There are about twenty-five universities in Canada at the present moment?—A. At least.

Q. They should all come in that grant.

Mr. COLDWELL: If they erected an educational station, they would.

Mrs. CASSELMAN: If they do the work, they should be paid for it.

Mr. DUROCHER: They should be paid by the C.B.C.

Mrs. CASSELMAN: Not exactly.

Mr. COLDWELL: They might get grants from the provinces for educational purposes. There might be some difficulties.

Mrs. CASSELMAN: That is happening now. Our university is under provincial grant. A great deal of their money comes by way of grants from the provincial government now.

Mr. COLDWELL: Yes.

Mr. DUROCHER: But there would be a limit to what the grant would be. It might be very hard to get enough from the provinces.

Mrs. CASSELMAN: I know there would be difficulty there.

By Mr. Coldwell:

Q. If we are finished with that feature, may I ask a question that may have been discussed here before. I have been told that there are blind spots in the area—and I think I mentioned this here before—around Kenora. I understand a small station there has been asking for aid in some way in order that they might give more service. I do not know just what the position is. I was not able to look at anything. I have a file here this morning. I got in only yesterday. I wondered if you could say a word about that?—A. Yes, Mr. Coldwell, that is quite correct. The difficulties in that particular region of northern Ontario, from a technical point of view, are very great. As I understand it, the character of the terrain prevents any widespread diffusion of broadcasting; and often there are, as Mr. Coldwell has suggested, blind spots. The Kenora proprietor has approached us for an increase in power and we have granted it.

Q. What is the power now?—A. The power was 100 watts. It was 100 watts at night and 250 by day. They asked for an increase to 1,000 watts for both day and night. That was granted. However, I think the other difficulty that this particular station has encountered is in the region of finances. It is a little difficult to maintain a station there, and they wanted to get on the network so that they might have the advantage of our network commercial programs. We do give them at the present time our sustaining features, but our real difficulty is to sell the station. It has got a limited audience. The commercial prospect is not very attractive for the large national advertisers who put on those programs. I think that is the real difficulty, Mr. Chairman. I have a great deal of sympathy with this particular station. I think that they have been performing an excellent service, and it is a very attractive part of Canada. I have visited it personally. I have conferred with the people. They are anxious to render good service. But that is the real difficulty, to keep the

thing on a commercial basis and at the same time to maintain it at the rate of 1,000 watts. We are exploring it at the present time to see if something more can be done.

Q. The difficulty then is with the commercial advertisers?—A. To a certain extent.

Q. Can you not add a station of that description to the commercial programs?—A. Well, you have got to present it to your commercial people as a total proposition; it means the purchase of lines, you see, and they are not very anxious to pay for the purchase of lines for what they regard as a not very attractive commercial proposition. However, those people who may be living in the country, think of it in terms of service.

Q. Does that 1,000-watt station reach quite a large mining area?—A. That would need to be tested out in practice. As I have said, there are very great technical difficulties, as I understand it, in that region. Doubtless an increase of power to 1,000 watts would give much greater coverage, and to that extent would make it a much more useful station.

Q. What I was thinking is that here we have quite a population around that particular area, paying licence fees and so on and yet unable to get any station whatsoever; and if our view is—and it is the view of the corporation and of the committee, although I may not agree with it—that we shall have commercial advertising and so on on our national radio system, then should we not have the right to say to the commercial people, “Well, you get splendid coverage from such and such a station; you do not get very much coverage from this station, but we have got to take the average coverage because that is the basis upon which we work in the country, and this station should be added on that account”?—A. Well, that is true to a certain extent, as things stand at the present time. But it comes to a matter of where the breaking point is—they will take so much, and then after that, what? It comes to be, as I say, a matter of payment for lines for what they consider the return they get.

Q. They get a big return in some cases for very little linage. Therefore they should pay for a small return on a longer linage to average the thing up.—A. Well, we have to deal with the commercial firms on a rather realistic basis, I fear.

Q. That is what I am asking you to do.

Mr. WEIR: You cannot overload it.

By Mr. Hansell:

Q. Before we are through with Dr. Thomson, there is another point that was raised last year that might be of interest. I wonder if any further consideration has been given to the publication of any weekly or monthly periodical by the C.B.C.?—A. Oh, yes sir. We have given a very great deal of consideration to that of late. Very shortly after I assumed the duties as general manager, and had our regular divisional conferences, it was represented to me that our work would never really be complete until we had some kind of supporting publication that would give the public full information in a much better fashion than is supplied by the daily newspaper and also that would give a more permanent form to a number of our talks and addresses coming over the radio. We went into it during this past winter in very great detail, and a very full report was submitted to me as general manager which I, in turn, presented to our Board of Governors. Our Board of Governors have become convinced that at some time or other such a publication is essential for our work. We have before us the policy of the British Broadcasting Corporation which makes very large use of such a publication. I am not very sure that there is a place in Canada for a publication of such a high calibre as *The Listener* although I should not wish in any sense to depreciate the capacity of the Canadian people

for reading such a magazine; but Canada has a smaller population, and in Great Britain they have a much longer history of that kind of journalism than we have here. We had thought of something a good deal more popular.

However, there are a variety of things that one has to keep in mind, and the Board of Governors did so when they considered this whole matter. The first is that undoubtedly the launching of any such publication would expose us to considerable expense. Then secondly, that not only at the present time would we be exposed to considerable expense, but we would require considerable personnel; and it is not very easy at the present time to get personnel to undertake a new journalistic departure. The third consideration was along the same line, as to whether at the present time, under the present disabilities, it was a time for an expansion of activities into any such region. However, the Board of Governors are convinced that sooner or later we shall require some such a publication in Canada. In the meantime, the methods of publicity for our programs are: first, the giving of program intimations over the radio itself. That sounds a very attractive method and very satisfactory procedure. But as a matter of fact, the ear does not retain in detail sometimes as much as we would like to believe. Consequently, when you listen to a program résumé, you forget when it is coming on and other details. Then secondly, there are the listings that are carried in the daily newspapers. This is very good copy for the newspapers and they are very anxious to get it because interest in radio to-day is a very real interest; and of course that is what a newspaper publisher is thinking of, and why people want to buy his newspaper. On the other hand, we do not think that these newspaper listings provide all the advance information that our listeners ought to have. The third is a bulletin which we send out largely for private circulation. It is got up largely for the daily and weekly press, which we send out, and from which they make their daily listings. What we have thought lately is that this particular service might be expanded in some way and given to the public. We are exploring that at the present time.

Q. The idea is that while it is shelved, we might say, for the moment, it is considered good and the possibility is that it will eventually come to some fruition?—A. Our Board of Governors have agreed to it in principle. The real question is one of whether the present moment is practicable for any such new departure.

Q. I know that the news stands still carry quite a few radio magazines; and I appreciate what you have said in respect to the daily press. As a matter of fact, I have often bought the Saturday evening paper just to get the week-end programs.

Mr. COLDWELL: I should like to see a paper like *The Listener* published by the C.B.C.

The WITNESS: It would need to strike a balance between *The Listener* and *The Radio Times*. *The Listener* would probably not command as wide an audience as would make it a profitable venture.

By Mr. Coldwell:

Q. The private organizations are putting out a magazine now, are they not?—A. I am not aware of it, sir.

Q. I was going to ask some questions on another subject. Have you finished, Mr. Hansell?

Mr. HANSELL: Yes.

The WITNESS: Of course, there is a very useful publication for the French-speaking people, *Radio Monde*. It is quite a unique publication.

By Mr. Coldwell:

Q. I was going to ask a question about the Saskatoon station. I have quite a file of correspondence from people in Saskatoon, and as a matter of fact some of them in my own constituency, including petitions and so on, which I forwarded before. But Mr. Bradley was put off the air some fifteen months ago and apparently Mr. Radford went out last summer and no satisfactory solution has been reached yet, although we thought last summer when we were meeting that it was in the offing that this meeting which would be held by Mr. Radford in Saskatoon with the people connected with the church would probably arrive at some amicable understanding. It seems to me from what I can learn that the Saskatoon station blames Ottawa and Ottawa says it is entirely in the hands of the local station, and no solution has been reached. Mr. Bradley submits that he is prepared to have his broadcasts censored, and to conduct the Sunday services according to the usual procedure. I should like to know something about this because, as I say, I have quite a large file of correspondence on this and some letters have come in even since I have been away during the last few days.—A. Well, Mr. Chairman, this is a matter which began before I assumed the general manager's duties. But as I recollect the case the Rev. Mr. Bradley, who is the minister of an independent church in the city of Saskatoon, had been giving a certain amount of time not exactly to the conducting of services but to giving addresses on Sunday mornings over the radio. Certain of these scripts were such that they contravened our regulations. The regulations of the Canadian Broadcasting Corporation provide, among other things, that no one shall broadcast anything that is abusive comment on any race, religion or creed; obscene, indecent or profane language; malicious, scandalous or defamatory matter.

By Mr. Hansell:

Q. What section is that?—A. That is regulation 7. It is my understanding that certain of these scripts that were submitted by Mr. Bradley were such that they came under these regulations, and that the talks given cast aspersions upon his ministerial brethren and to a certain extent were rather critical of religion in general. They reached such a pass that eventually Mr. Murphy, who is proprietor and manager of CFQC, submitted them to our station relations department and they were ruled as not being the kind of material that should ordinarily be given, particularly under religious auspices, on the air. As I understand it, Mr. Radford went out and met with Mr. Bradley and met with the management of station CFQC; but Mr. Murphy, the proprietor, has said to me personally that he has been exposed to so much trouble by Mr. Bradley that he will not give him the opportunity to broadcast unless the C.B.C. give him a clearance. Of course, that is not our business; our business is not to give anybody a clearance. We just simply say, "If you broadcast"—and this does not refer alone to religious broadcasting, but refers to any broadcasting—"there are certain regulations to which you must conform." So far as the Canadian Broadcasting Corporation is concerned Mr. Bradley can broadcast to-morrow morning if he wishes. He can broadcast any day in the week and all day long as far as we are concerned. He has first to enter into relationship with station CFQC which may or may not sell him the time. All we are concerned about is if he does broadcast he shall conform to our regulations.

By Mr. Coldwell:

Q. He says here:

"When I was banned, in April, 1942, . . ."

This is a letter I got about three weeks ago—

. . . we wrote asking CFQC "Why"? They replied that they had nothing to do with it: That Radford of Toronto had banned the MS under Section 7c. We wrote Radford to enquire of him. He replied that he knew nothing about it at all.

Then, another more recent letter came while I was away last week. In that letter he makes this statement:—

For over a year, my MSS went to Ottawa, but, not one word was ever censored.

A. When is that dated?

Q. That was dated June 17, 1943.—A. For over a year I have never seen a manuscript of Mr. Bradley, or since I became general manager.

Q. He then says they went to Toronto and:—

Then they said that I was contravening Section 7c of regulations. Now, it may have been some time ago that they came to Ottawa, I do not know, but that is when the trouble arose, apparently. Had I got this letter or been here when it came I would have written and asked for the dates, but I have not got them. There seems to be a conflict in the stories here, particularly the statement of CFQC, which does not conform with that of Mr. Radford, you see.

—A. As I understand it, the situation is very clear and it ought to be kept clear.

Q. I do not think any minister should go on the air and abuse anybody else.

—A. I should like to tell you, Mr. Coldwell, and everybody else, we sometimes hear it stated that C.B.C. is banning Mr. So-and-So from the air. C.B.C. bans nobody from the air on any private station so long as that particular person conforms to the regulations of the C.B.C. That is our sole interest in the matter.

Q. Do I understand it that the station has the right to limit those who may broadcast over the station?—A. We do not make any particular program mandatory upon any particular station.

Q. What I am getting at is this: if a manuscript passes the censors and complies with the regulations has any station the right to say to anyone we will not give you the time even if that time is available? If so, then the private stations actually have the right to curtail freedom of the air, freedom of speech, and limit discussion, which seems to me to be a wrong principle. That is what I am pointing out.—A. The corporation, of course, has mandatory powers. We could, if we wish, compel any station to take any program, but these powers have never been invoked and I think they would need to be invoked with very great hesitation.

Q. Great care.—A. And very great care. That is the only power we can invoke to compel station CFQC to take Mr. Bradley or any other body, and so far I have not had brought to me considerations that would seem to make these powers mandatory in any particular case.

Q. I think, coming from Saskatchewan, you would have some knowledge of the criticism of the corporation throughout the country on this account?—A. I see it every week.

Q. It is tremendously widespread; I am getting letters from all over the place saying it is persecution, it is political, it is interference with freedom of speech and so on and so forth. I think it is something that should be cleared up.—A. I regret to say, Mr. Chairman, from letters I receive and from correspondence that I see in the Saskatoon press, it is being sedulously spread abroad that the Canadian Broadcasting Corporation is preventing Mr. Bradley from appearing upon the air. That is not true. So far as the Canadian Broadcasting Corporation is concerned, Mr. Bradley may speak tomorrow for twelve hours on the air continuously, so long as he conforms with our regulations and station CFQC will sell him the time.

Q. Then it goes right back to station CFQC?—A. Yes, sir.

Mrs. CASSELMAN: No, it goes back to the man who does not conform.

The WITNESS: I think it is fair to say that station CFQC has had a considerable amount of trouble with this man and because of that I think they have considered that he is a very difficult person with whom to deal, and they find it easier to deal with other people.

By Mr. Hansell:

Q. I suppose there is the right granted to private stations to refuse business if they want to refuse it?—A. Well, I have never compelled them to take business.

Q. I can quite understand how your mandatory powers cannot very well be carried out; C.B.C. could be accused of putting certain propaganda over the air. I agree with Mr. Coldwell's principle, however, of free speech, of course. I have had some correspondence with Mr. Bradley, although I have not gone into the matter in minute detail. My impression is it is largely dependent upon the private stations to govern themselves accordingly. Is there not some relationship between the C.B.C. and the private station with respect to the responsibility of putting over broadcasts that may conflict with the regulations?—A. Well, if I may say so, Mr. Chairman, I am rather well acquainted, of course, with the Saskatoon situation because my home is there. Mr. Murphy has been a very excellent publicly disposed man. He provides an opportunity every Sunday morning for a local church to broadcast and with very great wisdom he has carried his relationship with the ministry into an association in which all the ministers are represented. This association draws up a schedule and he gives them the time free, which is an excellent public service.

Now, Mr. Bradley, who is the minister of an independent church, was taking up time on Sunday morning apart altogether from this arrangement, and, as I have said, he is a man of outspoken views and bold utterances and in several cases his manuscripts were of such a character that they did actually come under our regulations. Mr. Murphy had great difficulty. He had to bring him back time and time again to his office to say, "This should be corrected and that should be corrected," and I frankly have a good deal of sympathy for Mr. Murphy in the difficulties to which he has been exposed in this case. Mr. Bradley is a man, I suppose, you would describe as having quite radical views; he is outspoken. With that I have nothing whatever to do. A man should have a perfect right to express his views, however advanced and radical they may be, but I think in this case Mr. Murphy has had so much difficulty that he has given the case up.

Mr. HANSELL: I do not think Dr. Thomson has said anything out of the way, just a plain statement of facts. I was in a broadcasting station some months ago, broadcasting not a religious program but one on economics, and I submitted my manuscript. I was talking to the manager and I asked him what rules governed the matter. He said, "Well, now, this station is responsible under the defence of Canada regulations that nothing shall go over the air in contravention of those regulations." He said they were not very much concerned apart from that. I referred to the regulations here and his reply was this: "As far as these regulations are concerned, that is a matter of common sense of the person who is broadcasting." I thought that was a pretty good reply because nobody who is doing any broadcasting, if he has any common sense at all, is going to use abusive language. He must recognize he is talking to a tremendous audience throughout the country and somebody is going to object to it if he does something that he should not do.

I do not know Mr. Bradley's case entirely, but I can quite understand, being a clergyman myself, that one might become overexuberant on occasion and want to say something that he might say in his pulpit to his local congregation, but which could not be said very well over the air to the country.

The CHAIRMAN: Are there any further questions or observations? If not, do you wish to continue any further with the questioning of Dr. Thomson or are we through with him?

Mr. HANSELL: I think Dr. Thomson has made a very excellent witness. He has been here a good many days and may I say so far as I am concerned I have no further questions to ask.

The CHAIRMAN: If it is the wish of the committee I think we shall meet again on Thursday when we will have Dr. Frigon and a representative of the Department of Transport.

Mr. COLDWELL: I do not know how much more work this committee has to do before the house begins to sit on mornings, which I think is likely on Monday.

The CHAIRMAN: There is not much more to do. As I have already said, we are to hear the private broadcasters on the 13th, which is next Thursday. We can conclude on Thursday with Dr. Frigon and the representative of the Department of Transport, and that just leaves the private broadcasters whose request to appear on the 13th was granted.

Mr. COLDWELL: You will remember that last year Mr. Glen Bannerman promised he would give us some financial statement from the private broadcasting organization. If we are going to discuss their case intelligently I think we should ask him to submit the statement to the committee.

The CHAIRMAN: Perhaps you are not familiar with the recent order in council with reference to that. By that order in council the minister now has the right to demand these statements if he wishes. The order in council went through a few days ago and was published in the *Gazette* of last Saturday.

Mr. COLDWELL: I have been away.

The CHAIRMAN: You might look it up. There are some very important changes with reference to the private broadcasters.

Is it the wish of the committee that Mr. Morin, the chairman of the Board of Governors, be called again?

Some Hon. MEMBERS: No.

The CHAIRMAN: We will adjourn to meet on Thursday, July 8, at 11 a.m., on which day we shall have Dr. Frigon and a representative of the Department of Transport.

The Committee adjourned at 1 o'clock to meet again on Thursday, July 8, at 11 o'clock a.m.

APPENDIX No. 1

CANADIAN BROADCASTING CORPORATION

PAYMENTS TO PRIVATE STATIONS ON ACCOUNT OF NETWORK COMMERCIAL PROGRAMS AND SUBSIDIARY
HOOKUP BROADCASTS

1st April 1942 to 31st March 1943

		Networks		Subsidiary Hookups		Total	
		\$	cts.	\$	cts.	\$	cts.
CFAC	Calgary, Alta.	20,123	71	78	80	20,202	51
CFAR	Flin Flon, Man.	1,148	06			1,148	06
CFCE	Montreal, Que.	6,004	59	6,813	75	12,818	34
CFCN	Calgary, Alta.	19,769	91			19,769	91
CFCO	Chatham, Ont.	2,958	96	1,260	65	4,219	61
CFCY	Charlottetown, P.E.I.	18,912	27			18,912	27
CFCP	Grande Prairie, Alta.	2,372	75			2,372	75
CFJC	Kamloops, B.C.	8,432	90			8,432	90
CFLC	Brockville, Ont.	1,283	52	184	87	1,468	39
CFNB	Fredericton, N.B.	19,079	42			19,079	42
CFOS	Owen Sound, Ont.	1,586	89	850	18	2,437	07
CFPL	London, Ont.	19,010	37	2,124	23	21,134	60
CFPR	Prince Rupert, B.C.	636	40			636	40
CFQC	Saskatoon, Sask.	26,008	27	195	84	26,204	11
CFRB	Toronto, Ont.	18,583	80	18,437	75	37,021	55
CFRC	Kingston, Ont.	3,648	10	517	44	4,165	54
CFRN	Edmonton, Alta.	2,817	63			2,817	63
CHAB	Moose Jaw, Sask.	10,896	08	146	88	11,042	96
CHEX	Peterborough, Ont.	2,659	76	152	00	2,811	76
CHGB	Ste. Anne de la Pocatière, Que.	1,258	07	140	00	1,398	07
CHGS	Summerside, P.E.I.	402	90			402	90
CHLN	Three Rivers, Que.	2,070	66	649	29	2,719	95
CHLP	Montreal, Que.	2,629	01			2,629	01
CHLT	Sherbrooke, Que.	5,012	80	658	96	5,671	76
CHML	Hamilton, Ont.	3,109	00	3,989	97	7,098	97
CHNC	New Carlisle, Que.	6,698	56	331	25	7,029	81
CHNS	Halifax, N.S.	21,257	01			21,257	01
CHOV	Pembroke, Ont.	1,698	68			1,698	68
CHRC	Quebec, Que.	2,447	25	14,607	99	17,055	24
CHSJ	St. John, N.B.	21,131	87			21,131	87
CHWK	Chilliwack, B.C.	1,443	89			1,443	89
CJAT	Trail, B.C.	9,863	25			9,863	25
CJBR	Rimouski, Que.	10,086	09	1,220	44	11,306	53
CJCA	Edmonton, Alta.	35,402	19	36	00	35,438	19
CJCX	Sydney, N.S.	18,922	74	51	00	18,973	74
CJCJ	Calgary, Alta.	652	80			652	80
CJCS	Stratford, Ont.	1,470	54	123	00	1,593	54
CJCX	Winnipeg, Man.	4,215	38	122	40	4,337	78
CJIC	Sault Ste. Marie, Ont.	5,863	86			5,863	86
CJLS	Yarmouth, N.S.	4,452	41			4,452	41
CJOC	Lethbridge, Alta.	13,277	57	12	60	13,290	17
CJOR	Vancouver, B.C.	3,660	15			3,660	15
CJRC	Winnipeg, Man.	6,300	99			6,300	99
CJRM	Regina, Sask.	4,761	64	171	36	4,933	00
CJVL	Victoria, B.C.	2,934	64			2,934	64
CKAC	Montreal, Que.	12,259	59	43,532	15	55,791	74
CKBI	Prince Albert, Sask.	13,274	43	122	40	13,396	83
CKCA	Kenora, Ont.	2,703	71			2,703	71
CKCH	Hull, Que.	2,913	71	1,762	69	4,676	40
CKCK	Regina, Sask.	30,563	18	195	84	30,759	02
CKCL	Toronto, Ont.	2,865	25	1,931	37	4,796	62
CKCO	Ottawa, Ont.	3,284	97	4,071	64	7,356	61
CKCR	Kitchener, Ont.	1,569	14	189	95	1,759	09
CKCV	Quebec, Que.	1,979	39			1,979	39
CKCW	Moncton, N.B.	10,614	46			10,614	46
CKGB	Timmins, Ont.						
CJKL	Kirkland Lake, Ont.	46,733	55	30	34	46,763	89
CFCH	North Bay, Ont.						
CKLN	Nelson, B.C.	2,132	94			2,132	94
CKLW	Windsor, Ont.	15,533	23	878	00	16,411	23
CKMO	Vancouver, B.C.	590	87			590	87
CKNB	Campbellton, N.B.	2,077	93			2,077	93
CKNX	Wingham, Ont.	2,623	64	267	90	2,891	54
CKOK	Hamilton, Ont.	12,183	72	1,778	50	13,962	22
CKOV	Kelowna, B.C.	9,824	56			9,824	56
CKPC	Brantford, Ont.	1,887	02	178	78	2,065	80

CANADIAN BROADCASTING CORPORATION

PAYMENTS TO PRIVATE STATIONS ON ACCOUNT OF NETWORK COMMERCIAL PROGRAMS AND SUBSIDIARY
HOOKUP BROADCASTS

1st April 1942 to 31st March 1943

	Networks	Subsidiary Hookups	Total
	\$ cts.	\$ cts.	\$ cts.
CKPR Fort William, Ont.....	20,008 99		20,008 99
CKRN Rouyn, Que.....	2,786 64		2,786 64
CKSO Sudbury, Ont.....	22,306 91		22,306 91
CKTB St. Catharines, Ont.....	3,315 00	675 75	3,990 75
CKVD Val d'Or, Que.....	221 34		221 34
CKWS Kingston, Ont.....	9,521 87	295 44	9,817 31
CKWX Vancouver, B.C.....	1,231 65		1,231 65
CKX Brandon, Man.....	14,975 29		14,975 29
CKY Winnipeg, Man.....	51,962 76		51,962 76
Totals.....	678,903 08	108,787 40	787,690 48

	\$ cts.
Canadian Originations.....	371,180 15
American Originations (Basic Network).....	274,494 64
American Originations (Alternate Network).....	33,228 29
Subsidiary Hookups.....	108,787 40
Totals.....	787,690 48

Victoria Building, Ottawa,
June 5, 1943.

HARRY BALDWIN, C.A.,
Treasurer.

APPENDIX No. 2

CANADIAN BROADCASTING CORPORATION

Staff Statistics as of March 31st, 1942, and June 30th, 1943

	March, 1942	June, 1943
Accounting	43	45
Administration	97	104
Engineering	203	246
Program	255	284
Press and information	17	21
Station relations	11	10
Commercial	26	24
Total	657	734

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SESSION 1943
HOUSE OF COMMONS

(SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, JULY 8, 1943

WITNESSES:

Dr. Augustin Frigon, Assistant General Manager of the Canadian Broadcasting Corporation.

Mr. G. C. W. Browne, Assistant Comptroller of Radio, Department of Transport.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



MINUTES OF PROCEEDINGS

THURSDAY, July 8, 1943.

The Special Committee on Radio Broadcasting met at 11.30 a.m. The Chairman, Mr. J. J. McCann, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Chevrier, Coldwell, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford and Tripp—12.

In attendance: Dr. James S. Thomson, general manager of the Canadian Broadcasting Corporation.

The Chairman read a message from the Minister of National War Services expressing his regrets to be unable to attend the meeting.

Dr. Frigon, assistant general manager of the Canadian Broadcasting Corporation, was recalled and examined on his submission of June 17 and on other related broadcasting subjects. He was assisted by Mr. W. H. Brodie.

A new regulation respecting the control of private stations was supplied by the Department of Transport and distributed.

On motion of Mr. Hansell, seconded by Mr. Hanson,—

Ordered,—That the above mentioned amendment to radio regulation 31 be printed in to-day's minutes of evidence. (*See appendix No. 1*).

Witness was retired.

Mr. G. C. W. Browne, assistant comptroller of radio, Department of Transport, was called and questioned.

Witness was assisted by Mr. W. A. Caton, supervisor, Radio Division, Department of Transport.

Mr. Browne read a prepared statement which was distributed.

The witness was also questioned on cost of collecting licences and on radio interference.

Mr. Browne was retired.

The Committee agreed to hear representatives of the Canadian Association of Broadcasters on Tuesday, July 13.

At 1.25 o'clock, the Committee adjourned until Tuesday, July 13.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 8, 1943.

The Special Committee on Radio Broadcasting met this day at 11.30 o'clock a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: I just wish to state to the committee that the Minister of National War Services, General LaFleche, wished me to express his regrets that he would be unable to be at the meeting this morning.

The first witness we have is Dr. Frigon. Dr. Frigon's statement appears in the Minutes of Proceedings and Evidence, No. 3, at page 62. The meeting is now open for questions or observations with reference to Dr. Frigon's statement or the position that he holds in the organization.

DR. AUGUSTIN FRIGON, Assistant General Manager, Canadian Broadcasting Corporation, recalled:

By Mr. Coldwell:

Q. There are a good many questions that may be asked, and I should like to ask one first. Has an outlet been granted to the Mutual Broadcasting Company since the committee tabled its report last year?—A. Yes.

Q. Since the committee tabled its report?—A. Yes.

Q. The committee recommended against any further outlets, as I remember it. What was the date of the granting of that permission?—A. I have it as August 18, 1942.

Q. I wonder why that was done, particularly in view of the strong opinion expressed by the committee last year? Could you tell me that, Dr. Frigon? —A. Well, I do not know whether I am qualified to tell you, but it was discussed by the board, and it was a decision of the board at large. The obvious reason is that we are co-operating with Mutual a good deal in exchange programs. They carry some of ours and we carry some of theirs. They wanted an outlet in the Toronto market. There were certain conditions attached to the agreement. The matter was discussed at length and finally the board thought it was advisable not to refuse CKCL becoming a Mutual outlet.

Q. Do I understand that the board's policy then would be that the outlets accorded to American broadcasting systems are to remain? I mean, this is an expansion since the committee took the stand that it was undesirable that we should have outlets for American chains.—A. I really do not think that any final stand has been taken in respect to American outlets in Canada. In this particular case, as I said, the matter was discussed fully. I may read here some of the conditions which were imposed.

Q. Yes; would you do that?—A. Yes. They are:

1. That CKCL assumes all risk and liability thereunder, and that C.B.C. be not obligated in any way;

2. That the C.B.C. has first choice for its own stations of all sustaining programs offered by the Mutual;

3. That CKCL will feed such programs to the corporation without charge;

4. That the C.B.C. keeps full control generally of all Mutual programs carried by CKCL;

5. That all Mutual programs fed to Toronto, including those carried by CKCL, are controlled at the C.B.C. master control.

6. That proper financial arrangements are made protecting the interests of the C.B.C.;

7. That it may be understood that the interests of the C.B.C. from the point of view of legal responsibilities are fully protected;

8. That the agreement be subject to cancellation on thirty days' notice from the C.B.C. for whatever cause it may be as, for instance, to operate a transfer of a Mutual outlet from CKCL to a C.B.C. station in the Toronto area. The management will see to it that the C.B.C. policy, to the effect that American outlets in Canada may eventually be fully in the hands of the C.B.C., is protected and that the interests of stations CBL and CBY as key stations of the national and of the alternate networks are fully protected in connection with the operation of those networks. In other words, Mutual was allowed to come in on the condition that the feed from the States should be controlled physically at our own master control in Toronto; second, that the whole thing may be cancelled on thirty days' notice for whatever reasons may be considered justifiable by the corporation. Those were the two most important conditions.

Q. You made it very plain that there was no vested right.—A. None whatever. That took a certain time to discuss with Mutual and with the Toronto people; because, of course, the American network was not very satisfied with such a, what you might call, flimsy arrangement.

Q. You do not think that in any way conflicts with the policy subsequently adopted by Order in Council dated 23rd June, 1943, limiting the uses of stations, the issue of licences to single owners, and the obvious determination of the corporation not to permit the establishment of chains in Canada? Does this not seem to conflict with that policy?—A. I hardly think so, because CKCL owners, to my knowledge, only own that station and Mutual did not own the station. They simply feed the programs to CKCL.

Q. Who are the Mutual people? Do you know that? Who is the president? Are they connected in any way with the *Chicago Tribune*?—A. I do not think I know the present set-up.

Q. You do not know the present set-up?—A. No.

Q. Then I should not ask you. I was going to ask you if you could tell us something about the developments in radio that are likely to affect broadcasting in this country, particularly the development of frequency modulation which I believe may have a very marked effect on the future of radio in this country and in the world and may solve certain problems for us in the way of private stations, or community stations. I wonder if you could outline to the committee something about the discoveries and what effect they may have?—A. Well, it is difficult to predict what will happen after the war. After all, we depend a good deal on the policy accepted by the United States, as they are the biggest user of frequencies on the North American continent. The possibilities are that other systems, such as F.M., may be introduced for the purpose of giving more facilities over the continent for broadcasting, in the sense that if they use frequency modulation, they will use frequencies other than those that are used now. The limitations, as you know, for frequency modulation is that the transmission is limited to the horizon or about that.

Q. Yes.—A. So that any station operating on frequency modulation has a decidedly limited area which depends on the power used and the height of the aerial. But what may come out, of course, is more a Department of Transport

responsibility than ours. I am just talking as an engineer, not as an authority responsible for policy.

Q. You are pretty much of an expert on the technical side of radio, though.—A. These remarks are made as an engineer, not as a person responsible for policy. But F.M. may be allocated to stations whose responsibilities are to serve a local area, a limited area. The standard band that we now use may be left to stations which are meant to cover wider areas. If that is done, it would decidedly relieve the stations. The introduction of F.M. may also affect very materially the transmission of progress from point to point. It has been done in the United States. There you have one key station feeding, from one point, a number of other stations, without wires.

Q. That is what I had in mind.—A. That simplifies the network operation and it also is in a sense more economical.

Q. We do not own at the present time the wires that carry the programs, do we?—A. No.

Q. What does that cost us a year?—A. Last year that cost us about \$780,000. That is for the use of wire lines connecting together all the stations that may be grouped together for broadcast in Canada. It includes our own so-called network and any stations which may be added to the network when required.

Q. Are you operating any transmission of that type at the present time in Canada?—A. F.M.?

Q. Yes.—A. None whatever in the C.B.C.

Q. Is there anybody else doing it?—A. I think some war departments are using F.M. at present but, of course, that is not known.

Q. I was going to ask you what the comparable cost might be of the F.M. transmitters compared with the ones in use at the present time. Are they cheaper or dearer?—A. They are cheaper generally.

Q. What about the transmitters that the private stations have in Canada? Are they thoroughly up to date?—A. Most of them are fairly well up to date. There are some corrections to be made to the aerial systems which are not always the best, but generally the equipment is good.

Q. I take it that the development of frequency modulation would enable community stations to operate as community stations and solve the problem of the constant requests for high power allegedly for local stations?—A. Exactly.

Q. So there will not be the same urge on the part of private stations to continually increase power to reach points because local stations through frequency modulation could cover local communities. Is that a proper view?—A. Oh, certainly, but the urge for higher power is twofold. First there is the intention of covering more territory and also the necessity of having a higher signal strength to cover background noises. For instance, you may be satisfied in the country with a very low signal which would be simply useless in the city where there are all sorts of electrical noises around. Then there is the other argument that when a station operates with high power it has a prestige which reflects on the commercial rates which apply to the station. The urge to get more power is not only a matter of coverage. It is matter of prestige and also a matter of the noise level in big centres.

Q. That may be from the point of view of the private broadcasters but the development of frequency modulation and low power transmitters would solve the problem from the point of view of those who are interested in giving local community service and retaining for the nation the higher powered stations?—A. Oh, yes, exactly; that would be the result of the use of F.M. It would limit the coverage assigned to private stations to a certain territory and it would not interfere with any station at any distance. They will then be confined by force of technical restrictions or limitations to local coverage.

Q. It would eliminate interference by one station with another?—A. Yes.

Q. I notice that you said just now that you thought the equipment of private stations was pretty good. My understanding was from what I had heard both from private broadcasters and others than replacements were very badly needed, that many of the stations had quite out of date equipment?—A. What I mean is that the transmitter generally speaking is usually a standard make and those are all good. There are a number of stations which have transmitters which have been built locally and which are not so good but the difficulty at the present time is the efficiency of the aerial. Some stations may have a good efficient transmitter and a poor aerial to transmit their signal. With a poor aerial you can very well cut down your efficiency by 50 per cent. That is why last year we made a complete survey of all stations of one kilowatt or more to determine whether there was room for improvement at certain points, and we found there was room for improvement. In our own case at Chicoutimi by changing the aerial we have improved the transmission by 50 per cent.

Q. What I had in mind was this; I have often heard it said that such and such a station as soon as the war is over will put in new equipment. What I was thinking was this, that if these private stations are going to put in new equipment it might be equipment of the new frequency modulation type which would relieve them of considerable expense, would carry out the idea they always say they have in mind of service to the community and would eliminate a great deal of the difficulty from the point of view of the corporation itself?—A. I think every time they claim they would like to buy more equipment it is because they want to increase their power from 100 to 1,000 or from 50 to 1,000. There will have to be a transition period between the way we are operating now and the time when F.M. will be generally used. There will be a number of years there of transition period.

Q. I was going to ask you what effect that would have on the receiving sets?—A. New receiving sets would be out on the market, and certain sets could be supplied with adapters that will take care of F.M.

Q. So there is no insuperable difficulty with regard to the receiving sets?—A. There is a period of adjustment that will be required.

Q. But they can be adapted?—A. Yes, it can be done. In other words, for a period of time both F.M. and standard brand transmission will be carried on simultaneously while it is adjusted.

Q. I am going to ask another question on the high powered stations. Do you need further facilities for national coverage by high powered stations?—A. We do in a sense but we need more of the medium powered stations at strategic points. If we had the money and if it was economically possible we could use more high powered stations.

Q. Such as CKAC, Montreal?—A. CKAC is doing its job now as it stands with a five kilowatt station. If it is made into a 50 kilowatt station it will have wider coverage and will reach more people.

Q. Of course, if it were 50 kilowatts then the corporation would take over the station?—A. I am not prepared to say that.

Q. Is that not the understanding though that that kind of power would not be given to a private station?—A. The only understanding that there is now is that no station may be given permission to broadcast over one kilowatt, and the other stations now operating over one kilowatt stay as they are.

Q. That is right. If you had to boost the power of that station you would have to take the station over?—A. That will raise the question of what the policy should be in the whole picture. There have been no indications up to the present moment that the Canadian Broadcasting Corporation would take over or do anything else than it has done in the past. In other words, the Canadian Broad-

casting Corporation would not recommend at the present moment an increase in power to 50 kilowatts. On the other hand there have been a number of requests received for increase in power to 5 kilowatts; that is a very intricate and difficult question.

Q. I understood that more medium-powered stations were needed by the corporation to give full coverage, and you have CFRB in Toronto which is a desirable station, would it not be from the point of view of the corporation?—A. Well, we have two stations, CBY and CBL. If we had another high powered station in Toronto it would probably be meant to replace CBY.

Q. That is the point I wanted to bring out. I wanted to find out how these stations would fit into the picture; if they were desirable from the national point of view.—A. Well, it is as I said an economic and also a very intricate, difficult question and you cannot solve the problem by a blanket decision, each case has to be studied separately and you have to take into account the physical restrictions and the policy of the corporation.

Q. Well, there is one other question I wanted to ask you; what kind of coverage have you now in Nova Scotia; is the coverage good there now?—A. In Nova Scotia at the present time we are doing the best we can with the stations available; we have added very much this year to the network. We have made arrangements this year to make sure that Yarmouth will still be on the network. The population of Nova Scotia, New Brunswick and the maritimes at large, cannot sustain high powered stations from the commercial point of view.

Q. And frequency modulation would solve a situation of that sort?—A. No, not very much there. Their population is so limited that it could not be expected to sustain stations of this kind commercially, stations of the kind needed to give proper coverage and better coverage than we have there now. We are giving very good service in the maritimes at the present time, at many, many spots where the service is really good.

Q. What about around Windsor?—A. Windsor—we have a local station which carries some of our programs.

Q. Is the coverage good?—A. Coverage is good, and if you add the coverage by CBL you get a fairly satisfactory service, I suppose; but we do not get C.B.C. coverage in Windsor district to the extent that we do at other points because we have to depend on a local station exclusively.

Q. The coverage there is not as good?—A. That station is a Mutual outlet and they have their commitments which at times may be in the way.

Q. Well now, does the poorer coverage in any way affect the collections of licence fees—that probably comes under another department. I remember an example we had in Saskatchewan, after CBK went in and we got full coverage. The revenues from licence fees improved drastically. It would appear that there is a decided connection between coverage and licence fee collections.—A. Well, take at Prince Rupert, we received 1,200 more licence fees there immediately the new station went in.

By Mrs. Casselman:

Q. Do you mean licences for new radios?—A. New licence fees.

Q. That simply means that some people have not been paying their licence fees before.—A. Well—

Mr. TRIPP: You could not attribute this increase in licence fee collection in Saskatchewan to improved coverage of broadcasting. I think most definitely it was due to the improved financial position of the people themselves.

The WITNESS: Quite a good deal.

Mr. COLDWELL: I appreciate that.

Mr. TRIPP: The fact of the matter is that so far as Saskatchewan is concerned you cannot attribute it to better coverage; many of the farmers out there did not have radios in many years past.

By Mr. Isnor:

Q. I think that is a thing which applies quite generally to all parts of Nova Scotia; that if a better system were put in and you had better coverage, it would bring in better receipts from licence fees. Dealing with this question of coverage in Nova Scotia, that station in Yarmouth has probably improved the situation?—A. I think it has, yes.

Q. There has been quite an improvement in Yarmouth during the past two years; if I remember rightly it was about two years ago that you brought about the assistance which resulted in better coverage?—A. We took that station in Yarmouth into our network about three years ago and we have helped the station recently through some of its financial difficulties.

Q. Dealing with the situation generally in Nova Scotia and the maritimes, you would require considerable improvement to get adequate coverage, would you not?—A. The maritimes generally speaking as compared to the rest of Canada is probably in the worst shape, because there are an insufficient number of stations. You take on the prairies, in Quebec and Ontario, there are always, or nearly always, two stations or more covering the same locality. At the present time in the maritimes you have one station located at Yarmouth, one at Saint John and one at Fredericton; so it is not possible to give two complete networks in the maritime provinces because the facilities do not exist.

Q. You have an application on file at the present time I think from a party in Nova Scotia who is prepared to open a new station if given permission; I think he has been ready to do that for about three years now.—A. I do not know of any such application in hand now.

Q. I understood there is one?—A. It has not reached us.

Q. I know it would add to the coverage as far as that portion of Yarmouth is concerned, it would give you two services in the area covered by CHNS.—A. You see, Yarmouth and Halifax are two different cases. Our station CBA reaches all points, but not with full satisfaction; I mean, that it is not a first-class service; so we have not either in Halifax or in the Yarmouth area as complete coverage as we would like.

Q. Yes.—A. In other words you get CBA at a point near Halifax in the country but you would not get CBA in town on account of the noise level—you would need a much stronger signal to serve the city of Halifax satisfactorily from CBA. The same applies to Yarmouth; CBA is heard in Yarmouth but you would need to have the signal a little stronger in order to really enjoy it.

Q. And the same way with CHNS and the Charlottetown station; ten miles outside of Truro you can get the Charlottetown station very much better than you can in Halifax.—A. Oh yes, there is no question about that.

By Mr. Coldwell:

Q. There are two stations in Charlottetown?—A. There is only one operating now. There were two.

Q. There is a little station I think you heard about down there which belongs to one man and the object of that station as I understand it was to give more or less local programs to people through low-power transmissions; and I believe that that service has been more or less discontinued since the higher power station has been put in.—A. At the present time they get their local Charlottetown station plus their strong signal from CBA.

Q. They get good service from CBA?—A. Of course, they get a very strong signal from CBA. But the maritime broadcasting problem is a difficult one.

By Mr. Isnor:

Q. Is it not a fact that the station at Yarmouth was in danger of being closed down because of an operator who was called to active service?—A. We have taken care of that.

Q. You have?—A. Yes.

By Mr. Coldwell:

Q. Early in the war these men who were doing technical work for the C.B.C. have any special consideration from selective service in regard to priorities of postponement?—A. We have no blanket exception, but in certain cases we have asked for deferment and we have also prepared a list of men according to their work and their absolute necessity on the C.B.C. staff. I do not think that up to this time that we have had any very difficult cases.

Q. At any time was there any understanding that men of the C.B.C. would not be called?—A. Not to my knowledge.

Q. You would know, of course.

MR. ISNOR: We took this up in the committee last year and one of the witnesses said, or the minister, that the C.B.C. activities were regarded as a war effort, if I recall correctly.

MR. COLDWELL: I think that is true. I do not think that was ever made effective.

THE WITNESS: Early in the war it was decided that we were a war organization, but since then we have fallen in category. Each particular case is studied on its merits, and we have obtained deferments from time to time for men we want to keep, but we have no blanket exemption.

By Mr. Coldwell:

Q. Have you been very seriously embarrassed?—A. Yes, decidedly so; we have a big turnover in our engineering and other staffs.

Q. I do not think we want to interfere with the calling of men at all, but I think this is an essential war service and the corporation should not be embarrassed in its technical help.—A. We manage.

Q. I think we expressed that last year.—A. We have managed to get along up to this time, but we have had great trouble. The service is not 100 per cent as it was before the war; there are more errors and more breaks and more difficulties, but it has carried on.

Q. That is serious during wartime when radio is being used by our enemies to such an extent. We should be using it, I think, to a greater extent than we are, as a defensive measure.

By Mrs. Casselman:

Q. I suppose there is great need for these technical men in those branches of the service that are relying on radio?—A. Yes, the air force require them.

Q. They are required in the air force and I should think in submarine detection.

MR. COLDWELL: The same thing would apply to Great Britain, where they have given pretty much the assurance to the B.B.C. that men in technical positions would not be taken on account of the importance of radio in the war.

THE WITNESS: We are having difficulty, but we are managing to get along. I do not think we have yet reached the actual breaking point, but it is more and more difficult to operate.

By Mr. Coldwell:

Q. I have another question in regard to F.M. Does the effect it would have on the local stations close to the border strike you as being serious? Would you

tell me the effect that it would have on local stations close to the border if they were restricted in their radius, as I would call it, compared with those on the American side? Are they due to lose their value and revenue and thus be unable to operate?—A. As I said, they will be very much influenced by what is done in the United States, because the bulk of the broadcasting is done there, and no doubt there will be another conference, such as the Havana conference, to thresh out the whole thing. The continent will have to adopt the same system.

Q. I can see a danger to a large number of our so-called local stations unless there is some agreement.—A. It is impossible at the present time to predict exactly what will happen, but there is decidedly on the part of all concerned a feeling that many changes may occur. I think we will have to wait until after the war to decide that, because there are many improvements which are taking place now that we do not know anything about.

Q. I think that is one reason why we should not alter our policy in any particular at the moment. I think we should keep the policy we have at the moment and decide what we are going to do after the war.—A. I was asked for my advice by Jamaica a little while ago and my advice was to keep what you have now and wait until the war is over to make any change. It is probable the change will occur in such a direction, but we do not know.

By Mr. Ross:

Q. Was that question discussed at the Santiago conference?—A. No.

Q. Havana, first of all; was there another conference at Santiago?—A. There was an interim conference, but these questions did not come up there at all.

Q. You did not discuss this at all?—A. No.

Q. I do not suppose the Havana conference discussed it because it was pretty new.—A. The Havana conference had to do with the situation we had before, adopting standards, improvements, control and so forth. I think it is quite probable that another conference will be required to do the same job again in the light of new developments.

By Mr. Hanson:

Q. We may have television.—A. Television and the rest of it.

By Mr. Coldwell:

Q. Have any permits been issued for the increasing of power to stations during the last year?—A. Well, some increase of power is permitted by the Minister of Transport in the case of stations up to one kilowatt. For instance, I know of some cases even where permission was granted but it was not possible to take advantage of it because they could not get the equipment.

Q. They got permission?—A. Yes, to go to one kilowatt. Generally we encourage all stations when it is economically possible to go to one kilowatt. Now, our own station at Chicoutimi was raised from 250 to 1,000; Nelson was raised from 100 to 250.

Q. Who owns that?—A. Nelson? CHLP of Montreal was raised from 100 to 250; although they wanted to go to 1,000 they could not get the equipment.

Q. That is not your own station?—A. No, the only one in that group is our CBJ station at Chicoutimi. We had a transmitter which we installed at Chicoutimi and we raised the power from 150 to 1,000 and by improving the aerial we increased the service area and the signal by about six or seven times.

Q. Your coverage in that area now is good?—A. It is very poor terrain; good locally, but it is limited. The answer to your question about Nelson, it is owned by News Publishing Company Limited.

Q. A newspaper station?—A. Yes.

By Mr. Ross:

Q. What is the cost of improving your transmission with directional antennae and so on. Take Ottawa here, for instance, if we had had directional antennae would it be a very expensive proposition?—A. It is relatively expensive, yes; it all depends on the ground, on the location, on the frequency, on many factors which come in in each case, and you cannot give a general answer to that; it is relatively expensive.

Q. Terrain has something to do with it?—A. Terrain and frequency have something to do with it, also location. It costs more to equip a station with directional antennae in Rouyn than in Toronto, and so on.

By Mr. Coldwell:

Q. Has anything been done during the last year to improve station facilities? Some of our station facilities do not compare with some of the private stations.—A. You mean in what sense?

Q. Take Winnipeg for example; has there been any improvement effected there?—A. No, Winnipeg is in the same position it was last year and the year before, no change effected there.

Q. No improvements during the past year?—A. Not that I know of.

Q. There could not be very many, then?—A. No, it has not been general. There might have been some slight improvement at different points, it was not an important change anyway.

By Mr. Hansell:

Q. You mentioned in your evidence some days ago that you had three mobile units, one of them in Great Britain; would you amplify that a little? Just what is a mobile unit?—A. Well, our mobile units in Canada today are equipped with recording equipment, with transmission equipment and receiving equipment. In other words, if we send our most complete mobile unit out, a message can be sent from the transmitter to another point where it is relayed to the network; or a message can be received from somewhere else and sent to the mobile unit. They are meant for picking up programs at isolated points and transmitting them to a central point. For instance, you may have something happen in a field somewhere, something like a golf tournament or some other such broadcast, and your man goes there with a portable set and this is picked up by the mobile unit and transferred to the central point and at that point is put on a network. That is the most complete type of mobile unit. What we have in Europe are simply recording units whereby we can send a man, an engineer, or a program man, to the front and record on a disk an interview, or a message spoken by the program man. The message on the disk is sent back to the central point where it is taken care of and sent, say, to London or to Canada.

Q. Where are those that you have located here?—A. We have one in Montreal and one in Toronto. We have one in London which has been used so much that it is pretty well used up by now. It has been on the road for three years and has been very actively used, and we are adding three more.

The CHAIRMAN: Are those units very expensive?

The WITNESS: Yes, they are expensive. The most complete type costs from \$15,000 to \$17,000; the other units are worth \$8,000 or so.

By Mr. Coldwell:

Q. Have you had any losses through enemy action?—A. No losses. Our No. 3 unit has been hit by shrapnel, but no very heavy damage was done.

Mrs. CASSELMAN: The three new units are to be used in England, are they?

The WITNESS: Yes, two with the army and one to be used as a stand-by.

By Mr. Coldwell:

Q. Have you lost any members of your staff during the operating of these units?—A. We have lost a man who has been working for us. Whether he was a part of our staff or not is a legal point which I do not care to discuss here; but Mr. Edouard Beaudry was in Africa preparing broadcasts for the C.B.C. and while flying from Algiers to Casablanca he was killed by a bullet fired on Spanish Moroccan territory.

Q. Yes, we knew of that and we regret it; but I mean were any hit by shrapnel during the operation of these units? I was wondering if we had had any casualties?—A. That is the one; but it is a risky job at times. Our men made recordings during the blitz where they were exposed.

Q. At Hyde Park?—A. Yes, at Hyde Park, for instance. The intention is to have two units following the troops and one kept as a spare in England.

By Mr. Ross:

Q. Is very much being done to-day about television?—A. Nothing in Canada except on a very small experimental scale.

Q. I wanted to ask a question about that. I was wondering what the position of all the local stations would be in connection with television should it come in; will they be used? Or does television have to originate—is it recorded, in other words, at one place of origination?—A. Up to now television has taken place almost exclusively from one studio to one transmitter and is broadcast from there; there have been no network broadcasts. There are indications that after the war this may be possible.

Q. It will be possible?—A. It may be possible.

Q. What is the range of the broadcasting of television?—A. It depends on the height of the aerial and the power behind it. In the case of the New York station I think the service areas are from sixty to seventy miles.

Q. Therefore the more stations you have for television after the war the better it will be—if it is generally used—is that so?—A. Of course, the drawback to television is the cost; it is very expensive.

Q. Is it very expensive?—A. Yes, it is expensive to produce and expensive to transmit. At the present time a television show is produced in a studio and is used only on one transmitter; therefore the cost has to be borne only by one station. In broadcasting the cost of one show is distributed over a number of stations. That is on account of network operations. Another reason why the cost of television is high is that you need more people to handle a television show in a studio. In the usual broadcast show you have your actors and you have your producer and probably one or two men helping around; but in television you must have all of those plus your camera operators, probably two or three, with two men per camera, and your men handling the lights. You have a more complicated control. Where you may have two or three people handling a broadcast show of the usual type you may need twelve to fifteen for television broadcasting.

Q. I had in mind the development which might take place in the broadcasting of movies. I understand where you would have the difficulty; but I was wondering if there would be some hook-up?—A. The problem would be to find the films. Films are used in theatres for one, two or three weeks. In television they would be used for fifteen minutes or half an hour. If you want to repeat the same television show and do it on the same transmitter you can use the same film over again. The number of films produced in Ottawa at the present time will not give you the diversity of programs to which you are used in Ontario broadcasting.

Q. It is something to be solved in the future.

Mr. COLDWELL: Only a national organization operating the whole thing could manage what Dr. Frigon suggests.

The WITNESS: We are on the air sixteen hours every day and we try to give, and we do give actually a diversified program; we never repeat the same program, or very seldom. Now, you cannot do that with film.

By Mr. Hanson:

Q. The equipment will be entirely different, will it not?—A. The whole picture will change.

Q. Receiving sets and everything else?—A. I had occasion to discuss this matter in Washington and the feeling there is that the whole thing will have to be revamped entirely in the light of new conditions, technical and otherwise. To what extent there will be a sudden important change or whether it will be scattered over a number of years nobody knows, but the situation after the war is over will be entirely different to what it was in Havana, from a technical point of view.

By Mr. Tripp:

Q. Does the C.B.C. create a reserve fund to meet these things?—A. We have set aside this year \$150,000 to take care of research and experimentation and also to take care of readjustment of personnel when the war is over. Those men who are with the army will come back to our staff and probably we will need some money for a while to adjust matters.

Mr. HANSON: How many of your staff have enlisted in the army that you are under an obligation to take back?

The WITNESS: About 108, I am told.

Mrs. NIELSEN: That represents about one-sixth of your staff?

The WITNESS: Yes.

By Mr. Hanson:

Q. Are those who are put on to take the place of those who enlist in the army, put on temporarily with the understanding that they have to give up their positions when those who have enlisted come back?—A. Generally speaking, all employees taken on the staff now are war temporary employees.

By Mr. Hansell:

Q. Dr. Frigon, you mentioned that tenders had been opened for the construction of the shortwave transmitter. Tenders were opened on June 21. Have there been any further developments in that respect?—A. Tenders are in and we are struggling with them, trying to adjust prices and conditions. We have had the price on the building and the electrical part.

By Mr. Coldwell:

Q. I was going to ask one other question on facsimile broadcasting. Have there been any developments in that? I have been told it has not been particularly successful.—A. That again is subject to very great changes after the war. It is, in a way, frozen just now. It has not increased just lately, but that is another possibility that will have to be envisaged after the war.

Q. You have done some work along that line in the C.B.C., have you not? I mean, you have done some experimental work.—A. No; hardly any at all.

Q. I remember that there was a transmitter put in the railway committee room on one occasion, and a demonstration given to the members.—A. Yes. But we would not call that working on the problem. It was just a demonstration.

Q. That was just a demonstration?—A. Yes.

Q. You were not working on that problem?—A. No.

By the Chairman:

Q. Where do you recruit most of your technical personnel?—A. Some of them come from other stations; some come from the amateur group; others come from universities, graduates who may spend the summer with us on jobs and come back to us after they have graduated.

Q. How many universities are giving special courses in radio technique and that type of thing? Or are most of these employees that you get trained in engineering or just specially for radio?—A. They are trained in engineering—electrical engineering, most of them.

Q. It then becomes a specialty?—A. Yes.

Q. Does the C.B.C., as a matter of policy, subsidize that type of education at all?—A. We have made arrangements with the best-known correspondence schools in America to facilitate tuition to our men. We have, I think, 130 men taking those courses to qualify.

Q. I see.—A. Of course, we have in the engineering division two distinct types of men. There are these operators at the studios and transmitter points and then the engineers proper, who are more on the design, maintenance and control. Many of these men are graduate engineers. But the others, the broadcast operators and so on, are not usually graduate engineers, but they are training to become radio engineers.

Q. Would you call a broadcast operator a technician?—A. A technician, yes. That is the best word.

Q. They are a type of technician?—A. Yes. They specialize in that branch. I would say there was the same difference between them as there is between an electrician and an electrical engineer.

By Mr. Hansell:

Q. Do I understand these amateur broadcasters are out for the duration?—A. Yes, they are out.

By the Chairman:

Q. Do you have great difficulty in getting the required number of that type of people, or is that a field which is being developed?—A. It is very difficult to get men properly trained. As a matter of fact, we have provided for the training of men.

Q. That is what I want to know. Where are you making that provision? You say you are providing for the training of men. Do you make arrangements with the universities or with private schools to train certain men?—A. No. We simply take on our staff men who are not fully qualified and give them a chance to practise the operations and become qualified.

Q. In other words, you train some of your own men?—A. That is right. For that purpose we have added some positions to our payroll for the purpose of taking extra men on the staff.

By Mr. Hanson:

Q. Where is the training done? Is it done in Montreal?—No. It is done all over the country, in the different studios, the different transmitters.

Q. They are all under your department?—A. They are all in the engineering department, yes.

By Mr. Coldwell:

Q. You will have a big group to choose from after the war because of the tremendous amount of training that has been given by the air force, for instance?—A. Yes.

By the Chairman:

Q. Does the C.B.C. own any wire lines of their own?—A. No.

Q. Do you propose having wire lines of your own from Toronto and Montreal to Sackville when you establish the shortwave station?—A. No.

Q. You will just rent them?—A. Yes. The other way would not be economically possible.

Q. I see.—A. As you know, when we use a line, we use a line which is already on the site of transmission. We have the same right of way, the same poles, the same repeater points. We may use part of the service.

By Mr. Hanson:

Q. Whom do you rent the ground lines from? Is it the C.P.R.?—A. The C.P.R. and the C.N.R. mostly; and in some cases the Bell Telephone for local connections.

Q. The Bell Telephone?—A. Yes. But the network is operated by C.P.R. and C.N.R. telegraphs.

By Mr. Coldwell:

Q. I was going to ask you about this new order in council which was dated June 23, 1943, dealing with licences and so on. Will that policy be put into effect for all radio stations in Canada from now on?—A. That is a very large question. If you will read the actual wording of the order, of course that is what it means.

Q. Yes, that is what it means.—A. I do not know what the policy will be. I do not think it has been discussed fully.

Q. It seems to me that the order in council is perfectly clear. It follows out the recommendation of the committee last year. I just wondered if it had been discussed and if this had been, for example, the result of a recommendation by the Board of Governors.—A. No. The wording is clear, but it has not been discussed by the Board of Governors.

Q. Then the Board of Governors did not recommend the adoption of this order in council?—A. No.

Q. No. This is an order in council that was adopted by the government on the recommendation of the minister.—A. Right.

Q. It is very comprehensive and carries out the intention of the recommendations last year.

Mr. ISNOR: It was the outcome of the suggestions of the committee.

Mrs. CASSELMAN: Is there much more to come up before the committee, Mr. Chairman?

The CHAIRMAN: No.

Mrs. CASSELMAN: Have you any idea as to when we will be through?

Mr. HANSON: Next week.

The CHAIRMAN: We have to hear representatives of the Department of Transport and then we have made arrangements for the Canadian Broadcasters Association.

Mrs. CASSELMAN: For next Tuesday?

The CHAIRMAN: Yes. I anticipate when we are through with their representations, it should end the deliberations of the committee.

Mrs. CASSELMAN: You can see the end probably next week?

The CHAIRMAN: Yes, I think so. I think we should proceed. Are there any further questions of Dr. Frigon, particularly with reference to the situation in the province of Quebec or at least with regard to the French broadcasting system?

Mr. COLDWELL: I have nothing very much. I think Dr. Frigon made a fairly comprehensive statement in his initial presentation.

The WITNESS: The technical side of the question is difficult to discuss because there is so much involved and you do not really know where you stand at the present time except that you know there are big things to come.

Mr. HANSON: And the committee does not understand all these technical things anyway.

The CHAIRMAN: Are there any questions with reference to the French network programs? Let us cover that and get finished with it.

By Mr. Ross:

Q. I do not want to ask about the French network programs, but I have one question that I want to ask in connection with the expenditure on engineering. I see there is an increase of \$102,000 last year.

The CHAIRMAN: Louder, please, Mr. Ross.

By Mr. Ross:

Q. I beg your pardon. I see there was an increase in the cost on engineering of about \$102,000 last year. I wanted to ask whether that was made up of equipment altogether or whether it included salaries or work, or what was involved?—A. First of all, you have the increase in salaries; you have the addition of the pension fund. Then the staff has increased in the engineering division from 208 to 246.

Q. What I am asking is that item includes the wages and salaries that are paid? That is the answer?—A. It does, yes.

By Mr. Hanson:

Q. I would like to ask Dr. Frigon one question. Would you explain how far we have got with the pensions scheme and if any money has been set aside for the pensions scheme? I think we had something on that last year but we have not had anything this year.—A. I think I should correct what I said here referring to last year's figures about expenses. Of course, we did not have any pension fund expenses last year. That has been started on the first of April, 1943. Where we stand now we set aside every month the proportion which will be required or supplied by the employees to the pension fund so that when it is finally adopted it will be retroactive to the first of April, 1943. It has been a long process. I think we will have a very good pension scheme. The contracts which will have to pass with the companies and the government are being studied very carefully from a legal point of view. I think there will be no loopholes whatever in the whole scheme. It is going through the final process of writing the order in council, and reports to the council and all that.

Q. It is a contributory system? The employees pay so much, you pay so much and the government pay so much?—A. The employees pay 6 per cent on their salaries and the Canadian Broadcasting Corporation pays whatever is required to purchase annuities on the regular basis to take care of past services, and to assure a minimum annuity to all members of the staff when they reach sixty-five years of age.

By Mr. Coldwell:

Q. What is the minimum annuity that will be paid under this plan?—A. It is 2 per cent per year of service, roughly speaking.

By Mr. Isnor:

Q. Does that date back to the beginning of employment?—A. It dates back to the time when the employee reached the age of thirty-five, whether it was last year or five years ago.

Q. That was not my question.—A. It is retroactive to the time when the employee reached the age of thirty-five whether he was C.R.B.C. or C.B.C.

Q. You are speaking of 1935?—A. The age of thirty-five; suppose an employee is forty-three to-day. We give retroactive effect to his annuity to the date when he reached the age of thirty-five, which was when he was employed by the old C.R.B.C.

Q. Is that why you are charging 6 per cent?—A. No, the corporation is taking care of all that cost. The retroactive effect is taken care of by the C.B.C. entirely.

By Mr. Coldwell:

Q. Does this apply only to the employees themselves or are the widows protected in any way?—A. We are purchasing annuities, branch annuities contracts and the employee can have the choice of a number of options. The basic scheme is that he will get an annuity until he dies but he may change that so that the annuity may be applied to his widow for a certain period, and so on. Of course, the annuity is adjusted accordingly. The amount is adjusted accordingly.

Q. You are doing that with the annuities branch of the government?—A. Yes.

Q. The insurance companies are also involved in this, are they not?—A. Yes, for any amount of annuity over \$1,200.

Q. What is the idea of bringing in the life insurance companies when we have an annuities branch ourselves?—A. Because in the annuities branch the annuity is limited to \$1,200 per year, and the insurance will come in to supply the difference over that.

Q. Anything over \$1,200, I see.

By the Chairman:

Q. I presume it will be two separate policies?—A. It is two separate policies but a basic agreement. Automatically when the amount of the annuity purchased reaches \$1,200 per year the rest goes to the insurance company.

By Mr. Isnor:

Q. My question about 6 per cent was based on the fact I understand it is only 5 per cent for civil servants?

The CHAIRMAN: No, 6 per cent.

The WITNESS: 6 per cent for employees.

The CHAIRMAN: The committee on superannuation recommended four years ago in 1939 that it be raised to 6 per cent for new employees. The ones who were there continued at 5 per cent.

The WITNESS: That is right.

By Mr. Ross:

Q. The employee puts up 6 per cent of his salary. What happens if an employee leaves the service? Have they any right to that money or is that still in the fund?—A. If he leaves the service the money stays at his credit and he gets a pension when he reaches the age of sixty-five which is based on what has been paid.

Q. He gets a pension amounting to what the money that is left there will produce even if he is not in the service?—A. Yes, those are the conditions of the annuities branch contract.

By Mr. Coldwell:

Q. They do not refund and you do not retain any part of it?—A. If the employee dies his beneficiaries get the money to his credit plus interest.

By Mr. Hanson:

Q. If the employee leaves the service has he the option of taking the money out that he has paid in?—A. No, the money must stay there. He receives an annuity at the age of sixty-five. He may start at sixty if he wants to; he may elect to start his pension at sixty with the proper adjustment.

Q. If he dies before he is sixty-five his relatives or next-of-kin get the benefit?—A. They get the money actually paid on his annuity.

By Mr. Ross:

Q. The pension that would be purchased at sixty-five years of age would be purchased just out of the savings that the individual put in there himself or with a proportion of the fund set up and paid by the broadcasting corporation as well?—A. Both.

Q. By both?—A. Yes.

By Mr. Chevrier:

Q. I wonder if I could revert for a moment to the amendment to regulation 31. You said that was on recommendation of the minister. That is the Minister of National War Services?

Mr. HANSELL: It says the radio division of the Department of Transport.

The WITNESS: The only thing I have is what I read in this sheet you have in your hand there.

By Mr. Chevrier:

Q. What I wanted to find out was if before the order was prepared it was discussed at all by the corporation?—A. Not to my knowledge.

The CHAIRMAN: On page 2759 of the *Gazette* of July 3 the caption is, "Amendment to Radio Regulations, part 2, made by the Minister of Munitions and Supply in accordance with section 4 of the Radio Act."

Mr. HANSELL: Why would that come under the Minister of Munitions and Supply?

Mr. CHEVRIER: The question of licences would fall under the jurisdiction of the Minister of Munitions and Supply but I was under the impression that a recommendation having been made from the committee the Minister of National War Services was the one who prepared the order in council. Apparently that is not correct.

The CHAIRMAN: The reason for that is that the matter of licensing private stations is still retained by the Minister of Munitions and Supply.

Mr. CHEVRIER: That is what I was trying to say.

By Mr. Coldwell:

Q. Is there any union organization among the employees?—A. No. Some members may belong to unions but we do not know anything about it.

Q. They have not approached you for recognition this year?—A. No.

Mr. HANSELL: I wonder if these changes in this regulation could be printed as an appendix in the evidence.

The CHAIRMAN: It can be if you want a further printing of it. Every member has access to it in the *Gazette*.

Mr. HANSELL: We have it but a lot of people read the reports that do not read the *Gazette*.

The CHAIRMAN: You mean the one that was passed around this morning?

Mr. HANSELL: Yes. It is the Order in Council that is in the *Gazette*. It is the one that was passed around to us here. That is the same thing, is it not?

The CHAIRMAN: Yes, but this is only part of it.

Mr. HANSELL: This is the part that matters.

The CHAIRMAN: Is it your wish this should be included in the record?

Mr. HANSELL: I think it should. There are a lot of people who read the record who do not get the *Gazette*.

The CHAIRMAN: If you will make a motion to that effect—

Mr. HANSELL: I so move.

The CHAIRMAN: It is moved by Mr. Hansell, seconded by Mr. Hanson, that the copy having to do with the new regulation regarding private broadcasting stations be included in the record.

Motion agreed to. (See appendix No. 1 in to-day's evidence.)

By Mr. Isnor:

Q. I was going to ask a question or two in connection with shortwave transmitters. I am not sure whether this has already been put on the record or not; if so, I apologize. What is the situation at the present time in regard to the tenders which were called forth?

Mr. HANSON: That has already been put on the record.

The WITNESS: We have called for tenders for the building and for the electrical wiring. These are in and we are presently studying them.

By Mr. Isnor:

Q. Are you at liberty as yet to make public the figures quoted?—A. Well, as I said, this is being discussed with the contractors and we may make some changes. I do not think there is very much now—

Q. With the contractor or contractors?—A. Contractor.

Q. In that case you must have accepted— —A. We have not accepted—I mean, we are talking it over with the contractor; that is, in the sense that he is the one who sent in the lowest bid.

Q. Yes.—A. We are talking it over with him now. We have not reached any final decision as yet.

Q. Are you at liberty to give us the figure; I suppose it is more or less pretty well known by now?—A. You see, it is only part of the general picture, it is only for the building itself and the electrical circuit of the building itself.

Q. Just the construction of the building?—A. Yes.

Q. Your estimate of the construction work was—what did it amount to, that estimate you made?—A. You mean in the Order in Council?

Q. You made an estimate last year or the year before.—A. Well, I said that the whole project was to cost the government \$800,000. We are trying to live up to that. And the Order in Council figures mentioned were these: for furnishings \$102,500; installation, electrical, \$26,500—and there is travelling, engineering and contingencies

Q. Then there would just be those two items, construction and electrical—the one \$102,000 and the other \$26,500, that would be \$128,500; how does that compare with your original estimate, is it within it?—A. It is higher than that.

Q. Very much?—A. It is over by reason of the fact that we have changed the division of the contracts as listed here and because of the cost of construction, which has gone up since that time.

Q. Would it be 50 per cent higher?—A. I could not tell you that at the moment because I would have to go back and break down the figures as they now stand.

Q. I just want to find out how near you were coming to your original idea of \$800,000; whether it was going to cost a great deal more than the estimated amount?—A. The best I can tell you is that we are struggling with the problem now to live within the \$800,000; how we will be able to maintain that exactly I do not know just now.

By Mr. Hansell:

Q. I suppose that most of these contractors are Canadian contractors?—A. They are all Canadian.

The CHAIRMAN: They are all Canadians for the construction work.

Mr. HANSON: They would be for the construction, yes.

The WITNESS: The only American firms are the equipment supply companies.

Mr. HANSELL: Oh yes.

The WITNESS: We are dealing with the building itself now.

By Mr. Hansell:

Q. These figures would not indicate anything because that is a very small part of it.—A. I would like to repeat that they do not mean anything now because we do not know ourselves.

The CHAIRMAN: Are there any further questions of Dr. Frigon?

Mr. ROSS: I do not know whether Dr. Thomson put on the record in a detailed statement the cost of publications issued by the Broadcasting Corporation; if he did not I wonder if we could get them for our next meeting.

The CHAIRMAN: We have representatives here from the Department of Transport and if we want to expedite business at all we should hear them to-day. It will only take a few minutes to get their statement, otherwise it will probably be necessary to sit to-morrow.

Mr. COLDWELL: I made an appointment for 1 o'clock.

The CHAIRMAN: You asked for statements from the officers of the Department of Transport the other day. Is it the wish of the committee to hear them now, as it will take not more than a few minutes unless there is a lot of questioning on it? It has to do with collections and disbursements of licence fees.

Mr. HANSELL: Could we have the statement put on the record?

The CHAIRMAN: It will only take five minutes to read the statement. It is mimeographed and could be passed around.

Mr. HANSELL: If it is mimeographed why not pass it around and put it on the record.

Mr. COLDWELL: If it is mimeographed we can take the mimeographed sheets and then perhaps the witness can be here in case we want to ask a question next week.

The CHAIRMAN: That is the whole difficulty. We made a definite arrangement with the private broadcasting stations to hear them on Tuesday and they will take up the whole of Tuesday. That is why I want to get this out of the way. Would the committee be prepared to sit to-morrow morning?

Mr. HANSELL: What about this afternoon?

The CHAIRMAN: It is only 1 o'clock. Ten minutes will do it.

Mr. G. C. W. BROWNE, Assistant Controller of Radio Department of Transport, called:

The WITNESS: The Radio Division of the Department of Transport is charged with the administration of The Radio Act, 1938, and the regulations made thereunder. This Act establishes control over all forms of radio-communication in Canada including private receiving stations and the technical operation of broadcasting stations. It also empowers the Governor in Council to make regulations prescribing the tariff of fees to be paid for all classes of licences.

The Act empowers the Minister of Munitions and Supply to make regulations defining the different kinds of licences that may be issued, their respective forms, the periods for which they shall continue in force and the conditions and restrictions to which the licences shall be subject. It provides further, that the minister may order legal proceedings to be taken against any person who establishes any private receiving station, or installs, operates, or has in his possession any radio apparatus at any place in Canada without a licence.

Section 14 of The Canadian Broadcasting Act, 1936, provides in part:—

14. (1) The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the Corporation:—

(a) the moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, after deducting from the gross receipts the cost of collection and administration, such costs being determined by the Minister from time to time;

Mr. ISNOR: Could we not consider that as read?

Mr. HANSELL: That is what I would suggest.

The CHAIRMAN: It will only take five minutes.

The WITNESS (Continuing): It will be noted that under this section of The Broadcasting Act, 1936, costs of collection and administration are to be deducted before the moneys are made available to the Canadian Broadcasting Corporation.

During the fiscal year 1942-43, which terminated on March 31, last, a total of 1,728,880 licences were issued resulting in a gross revenue of \$4,187,667.81. From this latter amount must be deducted the total commissions paid of \$296,989.50 and the cost of administration \$223,338.07, leaving a balance of cash turned over to the corporation of \$3,667,340.24 in respect of receiving licences. A comparison of this with the previous year's figures shows that there were 105,391 more licences issued and that the total revenue collected increased by \$258,468.67, resulting in an increase in net revenue to the C.B.C. of \$215,158.32. In addition to the moneys from private receiving station licences, an amount of \$34,350 being the fees accruing from the issue of private commercial broadcasting station licences was also turned over to the C.B.C., making a total amount of cash of \$3,701,690.24.

Concurrently, commissions paid to issuers increased by \$17,448.80 and the cost of administration by \$25,861.55.

I might mention here that the average commission per licence for the previous year was 17.22 cents; whereas the 1942-43 commissions averaged 17.18 cents, a slight decrease.

The increased cost of administration requires special explanation. This administration cost may be broken down into two main items—Radio Division, Department of Transport costs and other costs credited to the treasury branch to cover salaries of treasury branch staff engaged on licence work and rentals

of space occupied by the licencing personnel in Ottawa and throughout the dominion.

The increase in administration cost of \$25,861.55 includes an increase of \$21,830.26 incurred by the Radio Division of the Department of Transport. This increase in Radio Division costs was chiefly due to an increase in the amount paid in salaries. The cost of living bonus went up from 11 to 17 per cent and involved an increase of \$9,578.20. In addition, unemployment insurance payments came into force involving an additional \$718.14. Annual statutory increases to permanent staffs amounted to \$1,170.

Members of the committee will recall that in implementing the recommendations of the 1939 committee, the radio regulations were amended to provide that vendors of radio receiving sets report to the department each month the names and addresses of every purchaser of a radio receiving set. These reports have been furnished by radio dealers since early in 1940. We also receive information from the customs branch of the Department of National Revenue giving the names and addresses of importers of radio sets. In addition, certain provincial governments have been giving us the names of owners of radio equipped automobiles. It has been our policy to check these lists against our records and where there is no evidence of a licence a circular letter is mailed requesting particulars of the licence to cover the set. For a time we endeavoured to carry on this organization without additional staff but it was soon found that this was out of the question and during 1941 a total of eighteen new employees were engaged, many of whom had less than six months' employment with us in that year; taking into account the full twelve months' employment of this additional staff in 1942-43 brings an increased item of \$6,998.07.

I think members will be interested to know that this particular organization for following up sales and importation of radio sets, as well as newly equipped motor vehicles, has resulted in the issue of 18,785 new licences in 1942-43 and required the checking of nearly 150,000 names against our records.

During 1943, five new employees were engaged to take care of the increase in licence issuing work and to compensate for loss of time caused by employees being called to active service and other positions in the government service. These new positions involved a salary increase of \$3,100.

For the information of the committee, I may say that in the calendar year 1942, 41 employees of the licence section either resigned their positions or were called to military service or were called for higher positions in other government departments. I know you will appreciate the amount of lost time involved in replacing these people and training new staff.

Finally, there is an increase in salaries of \$1,260 incurred in the reclassification of ten clerks and stenographers, grade I, reassigned as office appliance operators grade II or clerks and stenographers grade II during 1941-42. These are cases where the persons concerned have qualified for a higher rating and when called for employment in another department, action was taken to retain them with us by reclassification.

In addition to salaries, there was an increased cost of \$222 for a new punch machine and overtime service charges on machines of \$38.

I am pleased to report, however, that some of our costs have gone down and I quote decrease in costs of printing licences, \$521.28, decrease in printing and stationery costs \$335.03 and decrease in miscellaneous costs involving delivery charges, postage, etc., of \$397.84.

All this resulted in a net increase in Radio Division administration costs of \$21,830.26, as mentioned above.

The other costs accredited to the treasury branch went up \$4,031.29 caused by the additional rental space in the Rideau building where it was necessary to extend our accommodation to take over another floor of 6,200 square feet.

Before closing, I should like to comment upon the Department of Transport action to implement the recommendation of the last year's committee respecting control of private commercial broadcasting stations. After thorough discussion and exchange of views between officials of the Radio Division, Department of Transport counsel, the Department of Justice and the Canadian Corporation, a new regulation 31A was drafted, copies of which are now in the hands of the members. This regulation was recently signed by the minister and becomes law on the 13th of this month.

The following licences have been issued to private commercial broadcasting stations for the current fiscal year:—

Canadian Broadcasting Corporation station licences.....	27
This includes five shortwave licences and twelve repeater licences.	
University (educational) station licences.....	2
At fee of \$50	
Privately owned commercial station licences.....	85
This includes eight shortwave licences.	
Total	114

Mr. Chairman, I would like to add that the extract that we passed around actually is not an order in council; it is a regulation by the minister.

By the Chairman:

Q. It has been implemented by order in council?—A. No, sir, pardon me, it has not been implemented by an order in council. The Act requires publication of the minister's regulations in the *Canada Gazette* to make them law. The order in council refers to something else. It refers to the diplomatic exemption. This regulation is not an order in council. It is a requirement of the Radio Act to gazette these regulations. There are two sets of the regulations made under the Radio Act: Part 1 deals with the setting up of fees for licencees and fees for examinations of operators, the other set of regulations, which comes under part 2, are made by the minister himself and both are required to be gazetted in the *Canada Gazette*.

Q. Is not this 5020 an order in council? Is it a regulation? "Shall prescribe the fees payable with reference to licencees . . ."—A. It is necessary for the Governor in Council to prescribe that no fees shall be payable in the case of diplomatic service licencees.

The CHAIRMAN: Gentlemen. I think the statement which has been presented by Mr. Browne, the representative of the radio division of the Department of Transport, is one which will give to the committee all the information which was requested the other day. Now, is it the opinion of the committee that it will be necessary to have Mr. Browne here again, or do you think we have sufficient information—that this brief answers the questions that were asked with reference to the Department of Transport during our different sittings? I think, personally, if we peruse this document we will find that we have all the information we need.

Mr. HANSON: It answers the question which was asked at the last meeting.

By Mr. Hansell:

Q. What is the particular function of the radio division? You say, "this administration cost may be broken down into two main items—Radio Division, Department of Transport costs . . ." Now, this does seem to me to be a tremendous amount of money as regards the cost of administration, entirely

apart from the corporation. Just what is the work of the radio division of the Department of Transport?—A. Well, of course, we have to collect the licence fees and record the names of all those who are licensed. We have an elaborate system for doing that—machinery, a filing system, and also a means for advising those who have failed to renew their licences each year. We have tabulating machines and a punch card system. I do not just get your question, sir. I can give you a break-down.

Q. I will not take up much time because I do not think it is necessary; but the commissions paid were nearly \$300,000, and over and above that, after the commissions were paid, the licence fee was paid—the fee was collected—and there is still a cost of administration of over \$223,000. Now, my question is: I would like a break-down of that, but I do not want to take up a lot of time. It does seem to be a lot of money for the cost of something after the licence fee is collected.

Mr. HANSON: It cost \$600,000 to collect \$4,000,000 including the commission and the administration.

The WITNESS: Salaries come to \$147,831.80; rental and servicing of the recording machinery, \$10,700; cost of printing of licences, \$6,211.44; other miscellaneous printing and stationery, \$15,180.47. Then there are numerous other items that come to \$9,971.67, items which are too small to detail here, such as postage and express.

Mr. HANSELL: Does that add up to approximately \$223,000?

The WITNESS: That is our own department; the total is \$189,895.38. Then we have another item consisting of treasury administration cost of \$14,482.68 and rentals of office space \$18,960.01.

Mr. HANSELL: Very well.

By Mr. Tripp:

Q. Is the department satisfied that they are issuing licences to all those who have received sets?—A. Well, sir, we have figured that we are approximately 90 to 92 per cent licensed. Our men are constantly checking up throughout the dominion. In fact, we have started our check-up campaign this year—it is already under way—much earlier than usual. We usually start around September. Due to the improvement in our system of recording and the additional staff we have been able to get our records completed much earlier this year and our men are now starting on their annual check-up.

By the Chairman:

Q. Does the Department of Transport look after interference in different localities?—A. Yes, they do, but that is provided for by a separate appropriation.

Q. How much is it?—A. It was originally of the order of \$250,000 or \$260,000, but this has been cut down to around \$150,000 for the last few years.

Q. How is that appropriation labelled? Does it come under the Department of Transport estimates?—A. Yes, quite so.

Q. What do they label it?—A. It comes under suppression of inductive interference.

Q. Do you get a lot of criticism of that department?—A. No, sir.

Q. I do not mean of the department but of the results?—A. Of the results? Well, we expect some, because, as I said before, the vote has been cut from \$250,000 to \$150,000. We have had to release quite a few of our men from that interference work into vital war services, and we can always tell the public that we regret that, perhaps, in some cases there will be a delay in dealing with a complaint; that may cause a little criticism.

Q. I presume you deal with that particular problem from a large number of different centres?—A. Yes.

Q. Have you many centres?—A. We have approximately twenty-two centres—somewhere around that—I mean to say approximately twenty centres, we closed two. We had an office, for example, at Kingston which we closed down in so far as the inspector was concerned—we now have a girl there to provide licences only.

Q. What degree of co-operation is there between that department which has to do with inductive interference and the technical branch of the Canadian Broadcasting Corporation—is there any? Are they separate problems?—A. They are separate.

Q. I know they come under separate departments, but are they co-related problems?—A. Yes, because we frequently receive complaints from the C.B.C. of interferences which have been reported to them and we deal with them. They pass them on to us.

Mr. HANSON: With regard to this work you are doing, do you get your information from the engineering department of the radio corporation or do you get the information from individuals?

The WITNESS: Chiefly information from individuals but frequently we receive information from the C.B.C.

Mr. HANSELL: And they would, perhaps, receive a good deal of complaint from individuals.

The CHAIRMAN: Not only from individuals. I know that a lot of municipalities have passed resolutions through their municipal councils asking that the Department of Transport look into this question of interference. I wonder how much attention is paid to those resolutions and what results you get?

The WITNESS: Yes, to the limits of our capacity we do pay attention to those complaints.

By the Chairman:

Q. You understand that when the public are paying a licensing fee they feel that they are entitled to get not only good service as far as programs and news are concerned but they want some technical service with reference to the mechanics of their instruments?—A. Yes. Mr. Chairman, we find it difficult to make the people realize that the interference service is no longer carried on out of the receiving licence fees; in fact, it never was actually so.

Q. But it is carried on out of general taxation?—A. Yes, it is carried on out of general taxation.

Q. Where you have an extra appropriation for that?—A. Yes.

Mr. HANSON: In this connection, Mr. Chairman, I should like to direct this question to Dr. Frigon. Do you find that you have co-operation between the two departments as regards the work you are doing to cope with these disturbances? Does that interfere with the co-operation between the two departments?

The WITNESS: Oh, no, there is no conflict there, sir.

Mr. HANSON: I am asking Dr. Frigon if he is satisfied.

Dr. FRIGON: They are two quite different problems. If it comes to our knowledge that some locality suffers from interference we notify the radio people to look into it. We are interested in the problem but we are not part of the arrangement to take care of it.

Mr. HANSON: But it works out satisfactorily, does it?

Dr. FRIGON: Yes.

The CHAIRMAN: It is not your problem.

Dr. FRIGON: It is not our problem.

The WITNESS: In a like manner we receive reports and comments on the programs of the Canadian Broadcasting Corporation, and we pass them on.

The CHAIRMAN: Of course, I can understand that readily because the general public do not know the set-up and they wonder why there are so many divisions.

Mr. Ross: I suppose the complaints, Mr. Browne, go to the Canadian Broadcasting Corporation and then are passed on to you?

The WITNESS: Yes, they do, sir.

Mr. Ross: I think in most cases the people know of the Canadian Broadcasting Corporation but they do not know of the Department of Transport.

The CHAIRMAN: We will adjourn, gentlemen, until Tuesday morning.

The committee adjourned to meet Tuesday, July 13, 1943.

APPENDIX

AMENDMENT TO RADIO REGULATION

In accordance with the recommendation of the 1942 Committee on Radio Broadcasting, respecting control of Private Stations, thorough discussions were carried out between the officers of the Radio Division of the Department of Transport, Departmental Counsel, and the Department of Justice.

The following new regulation was subsequently approved and signed by the Minister of Munitions and Supply, being published in the *Canada Gazette* on Saturday, July 3, 1943. In accordance with Section 4 of The Radio Act, 1938, this regulation becomes law 10 days after publication, on July 13, 1943.

Radio Regulation 31 is hereby amended by the addition of the following:—

31A. Private Commercial Broadcasting Station Licences shall be subject to the following conditions respecting ownership and operation:—

- (a) The issue of a licence shall be conditional upon the licensee being the owner of the station licensed, and upon the ownership or control thereof not being transferred either directly, or indirectly by transfer or shares of capital stock of the licensee, to any person without the permission of the Minister.
- (b) Except with the permission of the Minister given upon the recommendation of the Canadian Broadcasting Corporation, no person shall be licensed to operate more than one station and no licence shall be issued to a company owned or controlled by a company holding a licence.
- (c) The licence shall be conditional upon the station being operated in fact by the licensee in person or by bona fide employees of the licensee; provided, however, that this condition may be omitted or rescinded by the Minister acting upon the recommendation of the Canadian Broadcasting Corporation.
- (d) The Minister may require periodic or other returns to be made by the licensee of the revenues, profits and expenditures of the station and any other information required by the Minister for the purposes of this Regulation and to ensure that such station is operated in the national interest and for the benefit of the community in which it is located.

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Canada. Radio Broadcasting
Committee

SESSION 1943

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, JULY 13, 1943

AUG 11 1943

WITNESSES

Mr. Joseph Sedgewick, K.C., General Counsel of the Canadian Association of Broadcasters.

Professor B. de F. Bayly, B.A.Sc., University of Toronto.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943

MINUTES OF PROCEEDINGS

TUESDAY, July 13, 1943.

The Special Committee on Radio Broadcasting met at 11.30 a.m., the Chairman, Mr. McCann, presiding.

Members present: Messrs. Bertrand (*Prescott*), Boucher, Casselman, (*Mrs.*, *Edmonton East*), Coldwell, Durocher, Hansell, Hanson (*Skeena*), LaFleche, McCann, Rennie, Ross (*St. Paul's*), Telford—12.

In attendance: Dr. James S. Thomson, General Manager, and Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation; Mr. Glen Bannerman, President, and Mr. J. Sedgewick, K.C., General Counsel, and other representatives of the Canadian Association of Broadcasters; and Professor B. de F. Bayly, B.A.Sc., University of Toronto.

Mr. Sedgewick was called. He submitted a brief on behalf of the Canadian Association of Broadcasters, and was examined.

Before concluding his submission, Mr. Sedgewick stood aside and Professor Bayly was called. He made a brief statement and was examined.

At 1.00 o'clock the witness retired and the Committee adjourned until 4 o'clock this day when Mr. Sedgewick will be recalled.

R. ARSENAULT,

Acting Clerk of the Committee.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock, p.m.

Members present: Messrs. Boucher, Coldwell, Douglas (*Queens*), Durocher, Hansell, Isnor, LaFleche, McCann, Mullins, Rennie, Ross (*St. Paul's*), Telford and Tripp—13.

In attendance: Mr. J. A. Bradette, Deputy Speaker of the House of Commons.

Mr. Joseph Sedgewick, K.C., continued with the presentation of his submission and was further examined.

The witness filed the following:

1. A financial statement showing the combined operating results of some privately-owned stations, dated July 10, 1943.
2. Station questionnaire sent by the Canadian Association of Broadcasters. (Distributed).

Mr. Sedgewick concluded with three recommendations on behalf of the Canadian Association of Broadcasters, and was released.

Mr. Coldwell quoted from a speech of Dr. James R. Angell.

Ordered—That Dr. Angell's address be printed in to-day's minutes of evidence. (*See appendix No. 1*).

The Chairman tabled a statement relating to CKGB, Timmins, Ont., prepared by Mr. J. A. Bradette, M.P., Deputy Speaker of the House of Commons.

Ordered—That Mr. Bradette's statement be printed in to-day's minutes of evidence. (*See appendix No. 2*).

For the purpose of reviewing the evidence, the Committee adjourned at 6.25 until Wednesday, July 14, at 11.30 o'clock.

ANTONIO PLOUFFE,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 13, 1943.

The Special Committee on Radio Broadcasting met this day at 11.30 a.m. The Chairman, Mr. J. J. McCann, presided.

The CHAIRMAN: Mrs. Casselman and gentlemen, representatives of the Canadian Association of Broadcasters are here this morning by appointment. We shall be glad to hear their representative make his presentation now.

Mr. JOSEPH SEDGEWICK, General Counsel, Canadian Association of Broadcasters, called.

The WITNESS: I have been asked to at least open the argument for this association.

By the Chairman:

Q. What is your name?—A. Joseph Sedgewick.

Q. What is your position?—A. I am general counsel to the Canadian Association of Broadcasters.

Q. And your residence is in Toronto?—A. Yes.

Mr. Chairman, Mrs. Casselman and gentlemen; I probably should say in opening that I have been, for some six years, general counsel to the Canadian Association of Broadcasters. Last year, as the committee will recall, Mr. Glen Bannerman, President of the Association, appeared and gave some evidence dealing in the main with the present structure of broadcasting in Canada, and with the position of the private stations in that structure. He filed a brief and I do not intend to traverse the same ground. But in view of some of the recommendations made by this committee last year, and of some of the statements made in the house when the report was the subject of debate, I should like to refer briefly to some of the historical aspects of the subject.

As the members of the committee will recall, the 1942 report rather reaffirmed certain principles which had been laid down by preceding committees, and made additional recommendations of its own. With some of these I intend to deal specifically later in my evidence, but I want first to say a word about the evolution of the system of broadcasting in Canada; about how the private stations managed to remain in operation although their extinction was at one time threatened, and about the security of tenure of their licences that I shall submit they should be given if they are best to serve the public interest. Some of the things that were said in last year's report, and some things not said but hinted at, have disturbed those interested in private broadcasting and have tended to weaken the sense of security which, at least since 1939, the stations had enjoyed.

As the committee is no doubt aware, the foundation of broadcasting in Canada as we now know it is to be found in the Aird report of 1929. That report followed a study of broadcasting throughout the world, in the course of which study the members of the commission came to the conclusion that the two best systems, or the two most deserving of imitation, were the British and German systems. These are their words:—

"We found broadcasting especially well organized in Great Britain under the British Broadcasting Corporation, and in Germany where the radio service is also under a form of public ownership, control and operation." The Aird Commission then went on to recommend that Canada should imitate those systems, and their recommendation was that all broadcasting stations should be

owned and operated by one national company which should take over such stations then in operation as it needed to give national coverage, closing down the others. That was their specific recommendation. They further recommended that, while it should be a national operation, there should be provincial control of programs through a provincial radio director and a provincial advisory council, and also that no direct advertising should be allowed on the air. The system was to be supported by licence fees paid by the owners of receiving sets, by some small hoped-for revenue from indirect advertising, and by subsidy from the dominion government. I only mention that historical background to indicate how far we have travelled from the scheme of the Aird report. That report, of course, was not implemented by legislation until 1932 owing to constitutional difficulties. There was a reference to the Privy Council—and I appeared in that litigation—to decide who had power over radio in Canada; and there are still some aspects at least of the control of radio that are not settled by that reference. However, in 1932, following the decision of the Privy Council in 1931, the first Radio Act—that is, the Act of 1932—was passed and it gave to the then established Canadian Radio Broadcasting Commission the power to put into effect the scheme of the Aird report, in general. At that point one would reasonably have supposed that the private stations, the founders of broadcasting in Canada, had a very tenuous hold on life. It did not so turn out, however, as the C.R.B.C.—that is, the Canadian Radio Broadcasting Commission—found that reports and recommendations are one thing, but the practical business of operating stations and getting people to listen to them, of getting an audience, is another thing entirely. So while they did establish their own stations in some centres, and while they devised and broadcast programs of their own, most of the pre-existing stations continued, and they continued to render an increasing public service. That obtained until 1936, when the former Act was repealed and the present Canadian Broadcasting Act was passed. The latter Act, of course, set up the C.B.C. as we now know it. I need not deal with the activities of that corporation; the committee is reasonably familiar with them. I do want to make this one point, however, that during those years—that is, from 1929, the year of the Aird report, to 1936, the year of the passing of the present statute—there persisted the basic idea of the Aird report; that is, the goal of ultimate public ownership of all broadcasting facilities, the control by the central authority of all programs and the virtual elimination of what is called commercialism. It is always called commercialism in a derogatory sense, but in any event it was proposed that it should be eliminated. In the meantime, the private stations continued. They were continuously threatened but they continued to operate. They were not, in fact, put out of business; and in an atmosphere of uncertainty they did expand their facilities to the extent to which they were permitted. They expanded their power. They devised and broadcast better programs with wider popular appeal, and throughout those years they co-operated with their competitor and executioner, the Canadian Radio Broadcasting Commission; and they did, I think it may fairly be said, during those years of great uncertainty, co-operate to give Canada a reasonably good and nation-wide broadcasting service. Of course, all the time they lived a little like a man on the edge of a volcano, because the dominant idea of the legislation and of the commission was still the idea of the Aird report; that is, the elimination of all commercialism or profit from independent broadcasting, call it what you will.

My principals, the private stations, were not particularly encouraged to find in last year's report a restatement of the sentiment for nationalization of radio, when the report said, quite bluntly:

The private broadcasting stations have no vested interest in the sound-waves they are allowed to use. The government and the corporation should not hesitate to terminate any licences when it is in the public interest to do so.

Speaking later on in the report of certain of the larger and more influential stations which carry directly some United States programs, the committee said:

Your committee recommends that the corporation should consider if the continuance of such outlets is in the interests of broadcasting and of the corporation.

The first thing that I want to say to this committee is that that is hardly an atmosphere in which to encourage the stations "to increase their services to the national cause as well as to their local communities in providing and distributing programs and developing and making use of local talent." That also is a quotation from the report.

Particularly disturbing is this attitude in the light of what happened in 1939. In that year, and that was the last year in which a parliamentary committee sat, the private operators had intended to appear before this committee; and through Mr. Aime Geoffrion, who was then acting for us, we had applied to be heard. While the committee was in session, however, the private stations' interests met with the Board of Governors of the Canadian Broadcasting Corporation in Montreal and what happened at that meeting, and the assurances that were then given, may be gathered from the minutes of the committee for that year. At page 225 of those minutes there appears a letter from the then president of the association that I now represent, withdrawing the request for a hearing in these words:

We have been assured by the chairman of the board that our right to continue is recognized as being inherent in Canadian broadcasting, and we have been assured that whatever seems reasonably necessary to enable us to complement the service being given by the corporation and to improve and extend our facilities in the interests of the listening public will be granted to us.

By the Chairman:

Q. Who was chairman of the board at that time?—A. The chairman of the board then was Mr. Leonard W. Brockington; and it was with Mr. Brockington and the members of his board that the meeting was held in Montreal.

By Mr. Coldwell:

Q. Had you a reply to that letter?—A. I was going to say that while there is not a reply, there is evidence in the minutes of the committee which I think indicates the acceptance of the suggestions made. If I may, I shall read the conclusion of the letter, which is as follows:—

We have made a number of suggestions to the Board of Governors and those suggestions are being considered, we are assured, with real sympathy and understanding. It is too soon to say how matters will work out, but we are concerned for the future of broadcasting in Canada, and are anxious to make our maximum contribution to its advancement. This the board now appreciates, and we think it is in the public interest that we be left alone at this time to solve our mutual problem. For us to appear now to bring out grievances which we think are in process of settlement would not be helpful, and for that reason we ask permission of your committee to withdraw our request for a hearing.

As I have pointed out, that letter was read. I do not know the date, but it was read into the minutes on page 225. Some two or three days later the then general manager, Mr. W. E. Gladstone Murray, was giving evidence; and at page 312 of the minutes of that year, referring to the meeting that had been held with the private station interests in Montreal, he said:—

The atmosphere was that of unqualified cordiality. Points of doubt and misgivings were cleared up.

On the one hand there was admission of the position and public responsibilities of the C.B.C.; on the other hand there was admission of the place of private ownership in the pattern of Canadian broadcasting and a recognition of its legitimate desire for that measure of security and elbow-room which is consistent with a fair interpretation of the public interest. I am most hopeful for the future. The first step forward in implementing the new agreement would have been taken already had it not been for the preoccupation with the work of this committee.

In answer to Mr. Coldwell, I think I can fairly say that while it is not a reply to us, the writers of the letter, it is an acknowledgment by the then general manager of the position as we had set it out there.

Q. The only thing I should like to ask is this. Did Mr. Gladstone Murray at any time in his evidence explain how private broadcasting stations would fit into the pattern of national broadcasting? That, it seems to me, is the point.—A. I shall deal with that later.

Q. I think Mr. Gladstone Murray did last year.—A. No, I do not think he did specifically, or not at that point. But I think, after ploughing through the quite voluminous evidence of the committee for that year and last year, you will find it stated by representatives of the corporation from time to time as to how it should fit in.

Q. Quite.—A. Later I should like to deal with that feature if I may. Then as to the attitude of the committee towards what I think was an understanding in the report for 1939 the committee said:

Your committee recognizes that the responsibility of controlling and coordinating all broadcasting in the public interest rests upon the corporation. In this connection your committee wishes to express its gratification of a better understanding between private stations and the corporation recently attained.

From 1939, when that evidence was given and that statement made by the committee, the private stations felt entitled to think that the original scheme of the Aird report—that is, the scheme of complete nationalization—had been modified in favour of a scheme which in our geographical position is a more practical one, and that there was generally recognized the virtue of a government-owned operation on the one hand, not completely commercially supported, in fact not principally commercially supported and competing with—and I do not stress that word, but I shall point out later that there is a certain amount of true competition between the private stations and the corporation stations for their mutual benefit—at times but generally co-operating with a system of independent stations attuned to the needs of their various communities.

In essence, sir, all that the private stations ask this committee to do is to restate, without any disturbing qualification, what would seem to us to have been the view of the 1939 committee; in Mr. Murray's words, "to recognize our legitimate desire for that measure of security and elbow room which is consistent with a fair interpretation of the public interests." Of course, if the stations are deprived of that security, private radio cannot be expected to do the job that the public interest and its own desires call for. May I simply suggest that it is a little less than fair on the one hand to criticize private radio for its shortcomings while at the same time suggesting that, good or bad, efficient or inefficient, it is not assured of continuous existence. If this committee favours complete nationalization of radio, the abolition of advertising and the virtual

abolition of the competitive system that this country has lived and prospered under to date, then may I suggest that it should say so unequivocally. If it does not, and if the committee favours continuance of the competitive system, then for my part, I see little reason why radio, of all businesses peculiarly in need of the competitive spirit, should be singled out for complete nationalization or should be continually threatened with it. As Mr. J. B. Priestly pointed out in pamphlet that I believe is familiar to all of you, anything connected with public entertainment should probably not be the first thing nationalized, but the last.

Now may I make a general statement which observation will verify. A completely nationalized radio tends almost invariably to become nothing but an instrument of propaganda used for the regimentation and, I suggest, for the debasement of its people rather than for their enlightenment, entertainment and advancement.

By Mr. Coldwell:

Q. Would you say that is so of the British Broadcasting Corporation?—

A. I wish to point out to you that until the war the British Broadcasting Corporation did not have a monopoly in its field; by no means; very far from a monopoly. I hope to deal with that in the next minute or two. I do say, as I have pointed out, that the Aird commission was enthusiastic about the B.B.C. and the German radio. That report went on—that is, the Aird report—to say:

Everywhere in Europe we found inquiries being conducted under government auspices for the purpose of organizing broadcasting on a nation-wide basis in the public interests.

I should like to ask where those inquiries have led. Do we want in Canada something like the German radio or the Vichy radio; the Italian radio or any of the completely nationalized radio systems of Europe? Almost all of them, at least in the undemocratic and totalitarian countries, are organized on a nation-wide and government-controlled basis; and whatever may have been the intention, they are now used mostly for propaganda purposes.

Mr. Coldwell has raised the question of the B.B.C. which is, of course, a government-controlled and a non-commercial system. The Aird report suggested that it completely satisfies the people of Great Britain and that it provides a model towards which we should strive. Of course, so long as Britain is an island on the edge of Europe and so long as the people can hear no programs in their own tongue except programs of the B.B.C., it is just a little difficult to say whether it gives them a completely satisfactory service or not. But before the war they had a choice. There were on the continent of Europe two or three stations. This book I have in my hand is a brochure published by one of them in 1939, and those stations were stations of very high power indeed, one of them 200,000 watts, I think; that was Radio Luxembourg. This brochure is a brochure published by Radio Normandy. These stations, while established on the continent of Europe because they could not be established in England owing to the legislation, broadcast exclusively to the people of England. I cannot give accurate figures, but I am told that between them they had a revenue running between £1,000,000 and £2,000,000 per year, in commercial revenues from advertisers. One very large agency told me that they had spent some \$3,000,000 on one of these stations alone—and they engaged their talent in England. There are pictures throughout this booklet. It is interesting and I shall be glad to loan it to any member of the committee who wishes it. Those stations must have arisen because the national, non-commercial system, was not completely satisfying them. They could not get the audience if the people had been completely satisfied, and yet they had a tremendous audience. They put a strong signal into England as far as the Midlands, almost up to Lancashire,

I believe. They had at times a greater audience than the B.B.C. stations themselves. I cite that to show that while one may say at this particular time the B.B.C. may be completely satisfying, once the war is over these stations will no doubt resume, and I think we can take it that they will have a very large audience. Indeed, I think I can go further than that. I may say to this committee that the virtue of commercial radio is being appreciated in England, and that there is a well-sponsored and quite strong movement to establish some commercial stations immediately the war is over. How far it will get I cannot say. I know that influential people are behind the movement. I think it highly probable that the farce of having programs broadcast in France for the English-speaking peoples will be stopped, and that commercial licences in England will be granted when the war is over.

By the Chairman:

Q. You say their talent is brought over from England?—A. Entirely. They use no French programs at all. In fact, it is an interesting thing, if you look at the pictures of some of the people they use as talent—and I looked it over—it is hard to think of any leader of British entertainment who was not used. It is true they did not always take them to Luxembourg or Normandy. They would record them. But no one can tell a good recording from live talent—no one alive. In fact, of the two, technically a recording may be better. So that the talent that they used was English talent exclusively and the programs that they broadcast were for the English audience exclusively. I think, sir, that it may reasonably be said that our people and all people, if given a choice prefer commercial radio. I do not say that derogatory of the sustaining programs of the B.B.C. or the C.B.C. programs. But it is a fact that there is a sharpness and an entertainment value to commercially sponsored programs that sustaining programs do not seem to have; whether it is because the sponsor keeps the artists on their toes or whether it is because every person who buys that product feels he owns part of the program and has a right to criticize and suggest, I do not know. Whether it is because the commercial programs or the artists are a little better—

Mr. COLDWELL: It may be because he has a bad stomach and buys patent medicine.

The WITNESS: No, the patent medicine programs are small. I am going to read you a list of the top fifteen.

Mr. COLDWELL: Or it may be new soap.

The WITNESS: Well, after all, cleanliness is next to Godliness and so we may be virtuous in listening to a soap program. In the course of his evidence Dr. Thomson referred to the Elliott-Haynes surveys. They are standard surveys, everybody uses them. I shall now read a list of the national leaders in 1942, giving the top fifteen programs in Canada. I am reading them because I think you all listen to them. The top English programs were:—

Evening Programs:

Charlie McCarthy	All Star Varieties
Jack Benny	NHL Hockey Broadcasts
Fibber McGee and Molly	Fred Allen
Lux Radio Theatre	Inner Sanctum Mysteries
Aldrich Family	Silver Theatre
Nazi Eyes on Canada	Vox Pop
Treasure Trail	Amos 'n' Andy.
Kraft Music Hall	

I shall now read the top fifteen daytime programs, and they are as follows:

Daytime Programs:

They tell Me
The Happy Gang
Big Sister
Road of Life
Dr. Susan
Refreshment Time
Pepper Young's Family
Mary Marlin

Lucy Linton
Soldier's Wife
Ma Perkins
Right to Happiness
The Bartons
Vic and Sade
Life Can be Beautiful.

You will observe quite a number of the last list are what are sometimes called "soap operas," or more correctly daytime dramatic serials. One of my colleagues does not like the term "soap operas" and insists that they are daytime dramatic serials.

By Mr. Ross:

Q. How would the listening audience of those programs compare with the listening audience of a speech delivered by the Prime Minister of Canada or the ministers?—A. That depends, Mr. Ross, on when and where the Prime Minister of Canada speaks. If the Prime Minister of Canada speaks across from a program like the Lux Radio Theatre it is unfortunate—and this is a criticism of our people—but he may not get as good a rating as the Lux Radio Theatre. It all depends when he speaks. If he speaks at a moment of crisis, when the people are hanging onto the radio and want some official statement, of course he gets a tremendous audience, almost complete coverage; on the other hand, when he is making what might be called a routine speech, if, statesmen make routine speeches, if he speaks in competition with a program like the Lux Radio Theatre he may get a very bad audience. I shall not give you the figures as to how bad that audience is sometimes but I shall say that the hour at which he speaks sometimes may be unfortunate.

By the Chairman:

Q. What evidence is there, if any, to show that surveys of this type reflect public opinion at all?—A. Well, sir, we think that there is the best evidence of that. For some twenty-five years radio in the United States and Canada has spent millions of dollars—I do not exaggerate when I say that—trying to find out what the public want and what they are listening to. The Elliott-Haynes rating is used by the Canadian Broadcasting Corporation, it is used by all the independent stations, and it is used by all the advertisers. I do not believe in the aggregate that these people are all fooled. It is tested independently. One large soap company has spent some \$300,000 or \$400,000 a year to test it out to see how it works. All I can say is that so far no better system of testing public opinion has been devised. It operates along the general lines of the Gallup Poll and the Gallup Poll has been able to predict elections with reasonable accuracy.

Mr. COLDWELL: We shall see.

The WITNESS: All I can say, sir, is these surveys are not a catch as catch can business, they are the outgrowth of a great deal of time and money and they seem to work out. Independent checks confirm what the Elliott-Haynes people find out; as a matter of fact, you can check it for yourselves. Mr. Coldwell, speaking in the house, mentioned the programs he likes best, and I see they are the same programs as the Elliott-Haynes people find to have acceptance by the people of the country; I am taking you, sir, as a representative man.

The CHAIRMAN: I do not agree very strongly with that. Will you just proceed with your brief?

Mr. COLDWELL: I was speaking of amusement.

The WITNESS: I am sorry.

The CHAIRMAN: We have to make haste.

The WITNESS: I know. I do want to point out, however, one thing in regard to the list. In that whole list there is not a single sustaining show. Of the thirty shows that have the widest acceptance in Canada during the daytime and the nighttime not one is a sustaining program. There are four shows sponsored by the government; that is, the government is the advertiser, and these are: Nazi Eyes on Canada, They Tell Me, Soldier's Wife, and All Star Varieties. The programs are all commercial programs and they have the widest acceptance. There is one further statistic that I might give you, which may be related to this question, and that is that set ownership has something to say as to how successful radio is. I refer now to the fact that there are more radio receiving sets in the United States of America than there are in all the rest of the world put together. There are 57,000,000 radio sets in the United States, and, of course, their system is completely commercial.

Mr. COLDWELL: They are cheaper in the United States than they are in Great Britain.

The WITNESS: They pay no licence fee?

Mr. COLDWELL: The sets themselves have been far cheaper in the United States than in Canada or Great Britain.

The WITNESS: I think they are better sets as well. I think they are a little cheaper, that is true, but the fact remains that there are some 57,000,000 of them. The percentage in Canada is high, but not nearly as high as in the United States. I think here there are about 200 sets to every 1,000 people.

Mr. COLDWELL: The people have more money in the United States.

The WITNESS: I think in the depths of a depression they have less and, shall we say, in prosperity they have more. The level may be higher, I suppose it is. At least radio seems to have been successful in the United States, much more successful than anywhere else. It seems to get the brightest programs. Everyone who listens to them abroad praises them. Since the war a large number of American artists have gone to England and have been extremely well received. Commentators have said they have introduced new life into the B.B.C. I think we may say the United States system has been successful if the test of success is—"does it satisfy its own people."

By Mr. Boucher:

Q. There is another point I should like to bring up. Within the last five years we can see something of a decline in the attendance at public meetings listening to public speakers. That may be due to the fact that they are getting it over the air?—A. I think that is so, sir. Radio has given you gentlemen who are in politics an audience of a few millions where you could not possibly have more than a few thousands before. Of course, you cannot have the same audience at the same time—at home and in the hall.

The CHAIRMAN: We are always optimistic enough to think they are listening to us.

The WITNESS: We are endeavouring to check and to let you know whether they are listening to you or not.

Mr. BOUCHER: You find a great many speakers want the broadcast as a means of stimulating attendance at other meetings, and therefore you have the argument the other way.

THE WITNESS: There is no doubt that you can stimulate attendance at a meeting by announcing the meeting ahead of time and that you are going to speak.

MR. HANSELL: I have some knowledge of religious broadcasts and a church that will broadcast its services will get a bigger audience in that church.

THE WITNESS: I think that we have statistics showing that we do attract people to the live audience, if I may so describe it without disrespect. Now, may I continue with my brief? Of course, Canadian radio is very largely dependent on the U.S. radio for its big audience programs. You will have observed that the first five Canadian favourites were U.S. network organizations, and I noticed that when programs were being discussed in the house that the ones mentioned as having been enjoyed by the people were the big U.S. programs. I have some evidence, recent evidence, that the people are reasonably satisfied with our present system. They do not want non-commercial radio on this continent. It may be said that you hear a lot of complaint about the advertising content on the radio. The radio people are continuing to study that. We know that some advertising is not objected to at all; we know that some advertising is objected to, but we are trying to eliminate the objectionable advertising because it is not the advertising itself that is objected to, it is the nature of the advertising. I do not think anyone objects to the kind of advertising that is included in the Fibber McGee and Molly program and the Jack Benny program; if there is any objection to it I have heard very little about it. Some of it I do not like, I must say, but it will get better as time goes on. Quite recently, and frankly with this committee in mind, we had the Elliott-Haynes people conduct a survey in an attempt to find out what the Canadian people did think of the present system, and I am going to read, if I may, the questions that I think have some reference to the matter we are discussing. The second question asked by the Elliott-Haynes people is this: "Under what system of management would you prefer to see Canadian radio stations?—All under government management; all under private management; some under government, and others under private management; all under private management, subject to government supervision; no opinion." We also asked them for their reasons. The answers to the questions were in the following percentages: all under government management=16 per cent of the samples taken; all under private management=20·5 per cent; under both systems=32·3 per cent; private management but government supervision=12·9 per cent; those who had no opinion=18·3 per cent. Anyone is welcome to read this survey, by the way. It will be observed that two-thirds of the respondents favoured the present system of radio broadcasting.

By Mrs. Casselman:

Q. Were the people instructed in regard to what they were being asked? Were they given an idea as to what each of those questions meant? I remember conducting a survey of that kind myself about a dozen years ago and I found that many people did not know what it was all about.—**A.** That worried us too, Mrs. Casselman. I did not read the first question because I know my time is limited, as is yours. The first question was: "Are the radio broadcasting stations in Canada—all owned and operated by the government; all owned and operated by private companies or individuals; some owned by the government and others by private concerns; don't know." The answers to those questions would indicate that 7·3 per cent thought they were all government owned; 5 per cent thought they were all privately owned and operated; 74·7 per cent thought there was a dual system, and 13 per cent did not know; so the majority were aware of the system under which we are presently operating. They were not all completely aware, but that is probably a criticism of us for not making them com-

pletely aware. However, from these figures I do say we have this result; that while one-third of the respondents favoured the present system of radio broadcasting, 20 per cent favoured wholly private management, while 16 per cent favoured complete government management. Out of the total respondents 65·7 per cent wanted to continue some form of private enterprise in connection with radio broadcasting; that is, they wanted to continue the private commercial stations, and the following tables give reasons for their choice. I shall not worry the committee by reading them, but the survey is available.

That is the end of my general presentation. In view of what we know and in view of these answers, and they may be confirmed by as many surveys as you care to take, we may assume that the vast majority of the Canadian public like the present system and I think the vast majority of the Canadian public will approve of the very sensible statement made by Major-General LaFleche to this committee at its first meeting, when he said:—

In the matter of radio broadcasting as in so many other respects, Canada occupies a midway position between Great Britain and the United States. In Great Britain broadcasting is controlled by the Crown whereas in the United States, radio is privately owned. In Canada we have both systems and I have not yet observed anything which has convinced me that we should be better off with either one or the other system alone.

And to that may I add a brief quotation from the report made by an Australian parliamentary committee last year? They sat for some months investigating the Australian system, which is not unlike ours except that the Australian broadcasting system carries no commercial programs; the division is sharper. The government stations actually carry only sustaining programs, no advertising at all, and the commercial programs carry what they like and what they can commercially sell; there is a sharper division, but in considering that system, which as I say, reasonably resembles ours, the committee said:—

It has been said—not without some truth—that the Australian national stations have raised the level of the commercial stations, while the commercial stations have kept the national system human.

I think that might well be said here. It has frequently been said that the cultural level of the programs put out over the commercial stations is not as high as it should be. Of course, the reason may be that the cultural level of the people generally is not as high as it should be, and we cannot run ahead of the educational system. I do think the commercial stations try to appreciate their audiences, within reason, but they cannot run far ahead of them; they try to give them about what they want, and it may fairly be said here, as in Australia, that the national stations have raised the level of the commercial stations, but the commercial stations have kept the national system human.

Mr. Chairman, in my opening remarks I said I wanted to follow this with a few comments on the question of power.

Mr. BOUCHER: I think that this committee should favour the development of Canadian talent and should like an explanation of the use of Canadian artists.

By Mr. Boucher:

Q. Can you give us any comparison as to the efficiency of the private stations in relation to that of the C.B.C.?—A. Well, sir, when I was trying to get my thoughts together to present to this committee I divided my argument into different headings, and one of them was talent. I should like to come to that later, if you will permit me. I do not want to dodge a question, because I came down here to give you as complete information as I can gather, but I want to deal with talent separately, and I should prefer to deal with it when I come to

it in my presentation. I think I can give you some helpful answers to the questions you asked, if the chairman and the committee will permit me to do it. Here I should like to say a few words about the question of station power, as I have with me to-day Professor Bayly of the University of Toronto, an acknowledged expert on this question. He came here from New York at considerable expense and inconvenience in order to say a few words to you about power. I should like you to permit me to call Professor Bayly and let him give his statement, as he has to go back to New York as soon as possible because he is there on government work.

Mr. COLDWELL: I do not think that there is very much difference of opinion in this regard. Most people believe, and I think that is true of many members of this committee, that the local community station has a place in the radio set-up of this country. I think we admitted that last year in our report. It seems to me the remarks you made this morning were predicated on the assumption that this committee desired to eliminate altogether the private community station. I do not think that is a proper view of the committee's report of last year.

The WITNESS: Oh, no; Mr. Coldwell, I do not think you can refer to a community as being something of a certain size. Montreal is a community, Toronto is a community, Vancouver and Winnipeg are communities. It is quite true that in a small community like Chilliwack or Trail, a station of 250 watts is ample. But, as I have said, Montreal is no less a community than Trail, and I do not think you can serve a community of a million or more people, such as Montreal, with a 250-watt station. Therefore if we are to admit that there is a virtue in the locally operated station, the community station, then I do not think we can set arbitrary limits on the power of that station. I said something a little earlier about the question of competition. It is of course true that the station at Chilliwack or Trail does not compete with the C.B.C. In Montreal, Vancouver, Winnipeg and Toronto the privately-owned stations do compete. They compete for talent to some extent. Dr. Thomson mentioned that. That is a healthy thing. They compete for audience, which is the key to radio. They definitely compete for audience all the time and that means that they put on better programs. If the C.B.C. has an excellent program on from 6 to 6.30 and the privately-owned stations want to compete they too must put on a program of comparable quality, because they cannot put a two-piano team on to compete with Fred Allen. Therefore you can only have real competition if you have something alike in quality, power, strength and facilities; because, as I said, a 250-watt station with the facilities available to it is at a disadvantage in competing with government radio.

By Mr. Coldwell:

Q. Many of the community stations have higher power than 250?—A. Yes, sir.

Q. They are not limited to 250?—A. They are limited to 1,000.

Q. That gives very wide coverage.—A. It is not much power in terms of output. I should like to read what I have written. I should like to take up my brief section by section, and I am going to deal now with station power. As I say, I do not want to dodge any question. I shall be delighted to answer any question that any member of the committee may wish to ask, if I am able to, but I should like to read this, if I may.

In its report last year the committee, dealing with the subject of station power, said, "Any increase in power considered necessary and desirable to occupy the channels allowed under the Havana agreement, should be made in stations owned or taken over by the corporation." In commenting on this in the house Mr. Coldwell said, "There was last year, and I believe it is continuing this year, a direct drive to get control of these channels and to expand the strength of some of the already high-powered commercial radio stations. If we permit this we

shall lose the use of these channels to Canada." May I say to the committee that there is not now, nor was there ever, any drive by the private interests to get control of any channels other than those they now occupy. But I do suggest that on the question of power we should first understand the facts, and then adopt a realistic attitude based on those facts.

Under the Havana treaty Canada was allotted the use of certain channels, some class IA, some class IB, some class II, some class IIIA and some class IIIB, and I think some class IV. Last year in his evidence Dr. Frigon very ably explained how these channels were used and what was the effect of that allocation. Of the class IA channels, that is cleared North American channels, six of which were allocated to Canada, three are being used by C.B.C. stations, namely, CBL, Toronto; CBK, Watrous, and CBF, Montreal. All these stations operate on 50,000 watts. The remaining IA channels are occupied by CFRB, Toronto, operating on 10,000 watts, CKY (the Manitoba government station), operating on 15,000 watts, and CFCN, Calgary, operating on 10,000 watts. The fact is—and I think anyone acquainted with the technical aspects of the situation will agree—that unless these last three stations are permitted to go up to 50,000 watts, the right to do so may be lost to Canada, and that regardless of who uses the frequency, C.B.C. or a private operator.

I am not asking, as Mr. Coldwell has suggested, for control of some channels now used by the C.B.C., but I am urging that every station in Canada should be permitted and encouraged to make the maximum use of the frequency assigned to it in the public interest, as only by using the frequency to the full can the listening public get the best and strongest signal and therefore the best reception.

It had been said recently, in an editorial in the "Canadian Forum," that the stations want increased power in order to increase their profits. Dr. Frigon dealt with that in the evidence he gave the last day, a copy of which came to me only last night. As he pointed out, increased power does not mean increase in profits, and may mean diminished profits. An increase of power means at the very outset increased operational cost. If you have a 5000-watt station and you go to 50,000, the only thing you can be certain of is that it will cost you more to operate and that you will give the people a better signal. Whether you make more or less profit you cannot know. If you can increase your rate card and get the advertiser to pay more it is conceivable you will make more profit, but nobody can tell whether advertisers will pay more or not. They may pay more, and then again they may not; but certainly there is no immediate and certain connection between power and profit, none at all. What it does, if the station is permitted to increase its power, is this: it permits that station to give better service; as Dr. Frigon said, there is less interference on a stronger signal and, secondly, it reaches out a little further, of course, in ratio to the power increase; that is, a 5,000-watt station increased to 50,000 does not get ten times as much coverage as it had before; it may get very little more coverage, but it will give a stronger and a better signal within its coverage area.

I do urge on this committee that the true ruling is not an arbitrary limit of 1,000 watts, or anything; the true ruling is to see that every station should be allowed, in the public interest, to take advantage of the Havana treaty and go up to the limit fixed by that treaty on the channel occupied by that particular station. That is the rule, I may say, in every other country that subscribed to the treaty. The channels were allotted to the country, and various stations were given them, in some countries some national and some private, just as here, and every station after it had been given the allocation was permitted to fully occupy that channel. That is all I urge here. I do not urge that anything should be given up by anybody. I do urge that something should be conserved for Canada, and that is the whole story. It

has been suggested that the channels allotted to Canada under the Havana agreement are allotted to the national radio, and that the C.B.C. must use them or lose them. That is not the case. The channels are allotted to Canadian radio stations, and which station is to use them must be decided by competent local authority. The only true statement is that the channels should, of course, be used, but they need not be used by the C.B.C. in order to be retained. The C.B.C. should keep for its own use a sufficient number of channels to give it national coverage, and I believe from figures presented to this and former committees that the corporation now has almost complete national coverage for its programs. That being so, the remaining channels should be available to private stations, and they should be used up to the maximum power permitted by the Havana agreement.

There is another somewhat misleading statement made about power, and that is the statement that the air (meaning such use of it as radio broadcasting makes) is of necessity in the public domain, and that it is part of the public wealth, like the mines, the forests, the fisheries and so forth. There is, of course, this important difference. The mines, the timber, the fisheries, represent something physical which diminishes as it is used, and there is thus some logic in demanding that those who diminish the public stock should make some corresponding contribution. But the radio broadcasters take nothing out of the air.

The CHAIRMAN: They pollute it.

The WITNESS: Well—after they have used it it is precisely as it was before. It is not polluted for breathing purposes, anyway; they neither pollute it for ordinary use, nor diminish it in quantity. And, of course, the government did not invent or devise the air or radio broadcasting. The science of sending sounds over the air waves was discovered by private individuals working without government help or blessing. The art of radio broadcasting in this country owes much to Marconi and to Rogers; it owes a great deal to them and to all the little people who experimented with it in the early days. By the way, the Marconi people and the Rogers people are still operating radio stations. It owes a great deal to those who built the first primitive stations and who worked to establish this industry. The government stepped in when radio was established and it merely took over other men's work.

It is true that there must be some regulation. The number of channels is not inexhaustible and the government must regulate their use as traffic is regulated. But I do suggest that that is no reason why it should take them over, large or small. I say that the proper function of the C.B.C. is being pretty well served to-day. It has a sufficient number of channels to give it national coverage. I think it would be a dog in the manger attitude to suggest that the channels it is not using should be kept, because some day they might want them. As far as that is concerned, if they should ever want them they would want them at their maximum strength, and that maximum strength may be lost to Canada, of which I am a citizen, unless the users to-day are allowed to fully occupy them. If they are not allowed to fully occupy them they may be lost to Canada.

Now, Mr. Chairman, that is all I wanted to say about power, and before I answer any questions, if there are any, I wonder if you would permit Professor Bayly to be heard. If I may introduce him to the committee—he is the Professor of Electrical Engineering in the University of Toronto, and is one of the acknowledged experts on the technical side of radio. He is at present engaged for the British government in New York on work not unconnected with this field, and he may be able to enlighten the committee a little on the implications of the Havana treaty.

B. DE F. BAYLY, Professor of Electrical Engineering, University of Toronto, called.

The WITNESS: Mr. Chairman, Mrs. Casselman, gentleman, I should first explain that I am not going to speak to you technically because I have something to contribute which is not really of a technical nature. The ramifications of the Havana agreement are very complicated. Indeed, the matter of what stations should operate on what power and in what locality requires a tremendous amount of detailed study to know how efficient our use of the air is at the moment; how many more stations could be used in the present broadcasting band. That study is only likely to be made by people in the Canadian Broadcasting Corporation or by the Minister of Transport or by a person like myself who in peace time earns his living largely in finding new channels for broadcasting stations with designed directional antennae. That requires a tremendous amount of detailed study of the situation and very detailed study of the agreement. I have made such a study. I must apologize to this committee because I am speaking entirely from memory as I have not been connected with this work for about two years and all my documents are in storage and I cannot get hold of them.

If I were writing a report on the subject of the power of Canadian broadcast stations I would express my findings very briefly and then give the reasons rather in the form of appendices, so I propose to follow that course here. Here in brief are my findings: That because of present limitations of power, beyond those limitations contained in the Havana agreement, Canada has already lost permanently much possible radio coverage and that, unless all increases in power possible under the agreement are made as soon as conditions permit, Canada will lose a great deal more of her potential radio coverage. Now, I am not arguing who should have these increases in power or where, that is immaterial; the point is that if Canada does not occupy fully the channels assigned under the Havana agreement the chances are very good that she will lose some of her rights to the air.

The CHAIRMAN: Are her interests not further protected by the reason of an agreement at Santiago following this Havana treaty?

The WITNESS: I do not think that is particularly pertinent to the situation, no, sir. I must frankly admit that I would rather leave the answer to that question to somebody else who has been following the field more recently than I have.

As the present broadcast band is rapidly being completely filled no future changes can be made in the Havana agreement without upsetting vested interests to an extent unlikely to be countenanced by any other of the co-agreeing administrations. The present agreement, I understand, expires in 1946 when it will be subject to re-agreement. If any of you have followed the history of broadcasting in the United States you will realize how difficult it is to cut out even the smallest of the interests because to do so creates a tremendous political furore. I do not intend to go into this thing at the moment. If the committee wishes that sort of information their best method is to hire some engineer in whom they have confidence and have him prepare such a report for them, and I shall be only too happy if it is necessary, to submit a full and detailed report to such engineer or to the committee, but it would be expensive and laborious.

I do not propose to enter into a long dissertation with examples of how this thing takes place, but I do not think a short dissertation of the basic reason will be out of place. Under the agreement two types of channels were assigned. Firstly, clear channels, channels on which no other station is allowed to interfere in certain areas. There is a slight modification on a clear channel. If you have a clear channel in Canada that does not mean that Mexico may not occupy that

channel, but it does mean that Mexico is not permitted to interfere with the use of that channel in Canada; they must keep the signal their station sends into Canada at such a level that it will not under normal conditions interfere with our use of that channel. Now, these are known as class 1-A and class 1-B channels, and if you read clause 8(d) of the Havana treaty you will see that it makes this provision:—

If within the period of this agreement the country to which a clear channel has been assigned shall have made use of the channel but not in the manner above described or not to the extent required by the provisions of this agreement, such country shall be considered as having relinquished that portion of the rights which it has not used and at the expiration of this agreement the other countries party thereto shall have the right, if they see fit, to withdraw the unused privileges from such country and to reassign them to any or all of the other interested countries.

There is no question at the present moment—you heard Mr. Sedgewick on this subject—that we are not occupying to the full our clear channels. Remember, you have a six-months period in normal times once you have filed an intent to occupy a channel, which means that six months before the expiry of this agreement is the last date at which that increased power can take place if you are going to meet this agreement.

Mr. Ross: What is the date of the expiry?

The WITNESS: 1946. I do not remember the exact month. Some time in 1945 was the last date when you can occupy these channels. That sounds like a lot of time. Anyone who has engineered a 50-kilowatt station knows that it takes a year. It will take six months to get an application properly filled out and sent to the Minister of Transport, and those applications have to be submitted to the government interested and you must notify the other governments. It is a lengthy process, and it is not in any way too early to consider that question. There will be a serious loss to this country unless you can exert such influence in the future so that we can get people to give up these channels in our favour, and that is difficult.

Then there are the shared channels, and there are several types of shared channels, or, for the moment we will regard them as shared. Those are channels on which Canada has broadcasting stations and on which the United States and Mexico and probably Cuba and Newfoundland have also broadcasting stations; and it is really on those channels that the serious and rather unnoticed loss of power is taking place.

On those channels certain limitations are set up as to the interference a new station may cause to existing stations.

We will leave it for the moment. The initial set-up under the agreement on the whole was rather well done but it was by no means the end of the picture; but a great many stations have been set up since and this will continue until there will be absolutely no space anywhere for a new station. Up until the time of the freezing of the building of stations because of the need of war materials there was really a very very rapid rate of increase in the power and sizes and location of stations.

Mr. Ross: Suppose somebody in, say, Mexico occupied that channel and put up a 50,000- or a 60,000-watt station—supposing they are doing it now—what would happen then? They still continue to occupy it.

The WITNESS: They are not allowed to occupy it at the moment to our detriment till the end of this agreement. They could apply at the time of the next agreement which will be in 1946. They can say that Canada is not occupying this channel fully and that they can put a 50-kilowatt station on this channel without interfering with the other stations and that they propose to do so and under this agreement nobody could say them nay.

Mr. Ross: They could not do it in the meantime?

The WITNESS: No, they could not do it in the meantime; but remember, as I have pointed out, our time is getting short to prevent them doing that in 1946. It is really a shared channel that I am talking about rather than an exclusive channel. As I said, it is a case of first come first served now. We have not in the past prevented their occupying this space in the air because their stations have grown up and increased their power and made use of some of that territory.

I would like to discuss now for just a moment what I mean. I think you are all familiar with why a station wants to increase its power. We are protected under the Havana agreement out to an imaginary line, a space around your station where your station signal runs to a certain level—all station signals get weaker as you get farther away from the station, and when you have reached a certain level that is called your service area, and the amount of interferences which another station may make under normal conditions within that area is limited. Now, I do not think anybody very fully realizes how narrow those areas are or how small they are. Actually, if you examine the areas of coverage under the Havana agreement you will be astonished to find how small they are. For instance, the owner of a 1-kilowatt station is heartbroken when he is told that he has a six-mile radius to his protected point. It varies, of course, with the frequency of the station and with the conductivity of the ground. I think that a 1-kilowatt station could have a protected area of from three miles to thirty miles. As your area of transmission progressively gets larger and larger your signal gets weaker and weaker, and as you proceed toward the interfering station and away from the home station the listening conditions get worse and worse. As regards the Havana treaty, I think you can take it for granted that outside of those service areas the situation will not be very acceptable to the listening public. In the early days you can remember that if you could possibly identify a station you thought you were getting excellent reception; if you had to listen three times to hear your station call you said that that was fair. It is getting to a point now where if we hear other noises or interference on the radio we turn it off. There is no definite point at which you can say that there will be no interference. Just a short time ago you heard two thunderclaps. I venture to say that there is no receiving set close enough to the local broadcasting station that would not have heard those two thunderclaps. You would have to be within 200 feet of the antenna of the station so that the signal would be greater than the static caused by the thunderclaps. You cannot say that a signal will be loud enough and there will be no interference. They have set up limits under the agreement and we say that this will be an acceptable level of interference, but there may be a bad elevator in the district or some chap who possesses a motor car with no suppression on his sparkplugs.

Everybody is interested in raising their power and to put a better signal into the area, but I point out that actual engineering figures on these areas are surprisingly small, and I think that after the war is finished and we get the completion of the occupation of the frequencies on the Havana agreement we will be perturbed as to how small our coverage is, especially at night. Because at night you have to base these interferences on statistical data as to how propagation takes place in the upper atmosphere. That statistical data is excellent, but it is statistical data. For instance, what we use says that the interference will not be greater than this more than 10 per cent of the time. Now, that does not mean 10 per cent of any five minutes of time, it means 10 per cent of the total time. It might mean a period of three days would go by when owing to certain conditions interference was such that it was simply useless to listen. Again that is why people wish to increase their power, assuming they would have a better signal in that area.

As the stations in the States increase their power it means that we cannot put as great signals in their direction as we formerly could because then we will create interference in their enlarged service area. Let me give you a fictitious example. Suppose we have a station in Ottawa and there is a station, say, at Rochester, New York, on the same frequency. We will suppose, for the sake of argument, that it is 1,000 kilocycle and the Rochester station finds that it can increase its power to 5 kilowatts without interfering too seriously with you; under the terms of the treaty they can do it without interfering with your service area; therefore, they put up a station of 5 kilowatts where before they had a station of 1 kilowatt. That increases their service area from ten miles, we will say, which is just a guess, to forty miles. That is an exaggeration, but it is taken for the sake of argument. That means that now we must protect them thirty miles closer to Ottawa than we did before. Therefore if we wanted to increase power, we find ourselves in a more difficult situation than previously existed. We probably have to put up a directional antenna. This has been going on all the time. I was just in the middle of designing an antenna for one radio station here. We had a very nice clear situation, and just in the middle of the application to the Department of Transport for a licence, and with the directional design filed, one of the stations in the States filed a construction permit about 300 miles closer to me than any of the existing stations. I had to remodel the whole design and cut down the station's coverage in that direction very materially. The air is not completely filled up, but it is filling all the time and will fill as soon as the present restrictions are lifted as to equipment; it will fill very rapidly indeed, I feel sure.

Remember, it is not the date of getting the station on the air that sets the limitation. It is the date at which you notify the administration that you have a construction permit and a permit to go ahead and you will take another six-month period in which to actually live up to the terms. At the present moment I do not know what the ruling is, but I feel sure about a station which is estopped from continuing on with their construction because of scarcity of war materials; I do not think there is any doubt that that station would get a permit from the administration to delay implementing that construction permit for another six months or even a year, because obviously it would create a hardship to the station to say because you did not put your station there within six months of the notification, you are now estopped from building that station. I think that any administration would allow that construction permit to stay filed, in which case this very curtailing process in design coverage may be going on at this minute. It may have happened five minutes ago that with the F.C.C. the supposed station in Rochester has filed an application for increase in power to 5 kilowatts, which by that very act is limiting the supposed station in London from any increase in power in the future.

By the Chairman:

Q. Is it not a fact that their restrictions and priorities are comparable to what they are over here, and that they are suffering just the same difficulties with reference to securing materials?—A. Yes. But as I say, there is nothing to prevent them filing a construction permit. It is the date at which you have the permit for future construction. It is not the date they get the station on the air. It is the minute they file the construction permit. If a permit is given to construct a 5-kilowatt station at a certain date, then any future stations that come in have to have a regard for that new construction. I should like to give you a concrete example of a station that I was once concerned with. I quote this merely to give you an example which will perhaps make clear in your minds what I am driving at. As I say, I have not consulted the owner of this station as to the permission to use his name, but I think it is harmless. It is station CFPL in London, which was a 1,000-watt station, with a directional

antenna, and a channel that is a clear Mexican channel. It is what is called a class 2 station. That is, we are allowed to have a station as long as it is more than 650 miles from the Mexican border providing it does not cause more than so much interference to Mexico. I am not going into the argument as to whether they would be happier with the increased power or not; I am arguing at the moment the basic principle of protecting the Canadian rights to the use of the air. At the time of the construction of that station, it would have been possible to build a 50-kilowatt station. Under the agreement it would not have infringed on the limits to which we were allowed to go. Actually a one-kilowatt station was built. Suppose to-morrow or last week—it may even have happened for all I know—a station in the States decided to build a station. We will suppose a station at a suitable place would probably be in northern New York state. Suppose a station somewhere up the Hudson river there decided they wanted a 250-watt station. We will take the smallest station they are likely to build and show how serious this limitation may be from such unexpected causes. We will suppose that in this northern New York point they wanted a 250-watt station and the available local coverage point bands were all filled. They could get a permit perfectly legally under the Havana agreement to build a 250-watt station on this same frequency which the London station now occupies, providing they protected London to their present service limit, their present service contour which, I may say in that direction I think is four miles from the station. They could give that protection quite comfortably, with a 250-watt station somewhere in Albany, shall I say. But the minute they did so, they would in practical effect prevent the London people from raising their power; because if London increased its power, it would cause too much interference to the 250-watt station in Albany, without very complicated directional antenna and tremendous expense; and in that case would probably prevent the station covering St. Thomas as it now does, any better than it now does, because St. Thomas would be right in the direction of this station which would be protected. I give this merely as an example of something that could easily happen as to how our rights to the air may be lost permanently (unless the agreement is completely upset), by perfectly legal acts of one or other administration.

I have given you an example of how a station which is at present 1,000 watts and can be 50,000 watts under the treaty, can be limited to-morrow to this 1,000 watts or at the most probably 2,000 or 3,000 watts, with directional antennae, for all time, by merely placing a 250-watt station say at Albany; and we have no assurance that they will not so place a 250-watt station at Albany. As I say, it is a case of first come, first served under this agreement. That, gentlemen, is all I have to say. If there are any questions, I shall be only too happy to answer them. Again I must apologize for my vagueness, but my memory after two years is not too complete.

By Mr. Ross:

Q. You say your London station would have a coverage of how many miles?—A. Well, actually that one-kilowatt station was designed with directional antennae so it could cover both St. Thomas and London, which is very difficult with a one-kilowatt station. These two towns are fourteen miles apart, and the necessary prescribed single strength in the business district was only barely met. It is only some seven miles from London, but it was only barely met with the one-kilowatt station with directional antennae arranged north and south so as to send a signal into St. Thomas and into London. Even though it has a directional antennae, with the one-kilowatt station the single strength just met the necessary limits for the business districts of London. I can assure you of this very frankly, that in any apartment house in downtown London there is too much interference from elevator noises and that sort of thing; in the business district of London the street cars go by and there is too much

interference. In other words, you are at the bottom level of acceptance. Simply for the sake of illustrating, and not wishing to argue the particular points of that station, I might say that if that station were a 10-kilowatt station, it would give better service.

Q. You say if there were a 250-watt station at Albany you would get too much interference and it would interfere with London?—A. No. They could put that in without interfering with London's present contours; but if London tried to go up to 10 kilowatts, they would probably cause more interference to Albany than they were allowed.

Q. Oh, I see.—A. And they would have to build a directional antennae preventing that power being sent towards Albany, which would at the same time direct your signal in more power towards St. Thomas. That means increasing your coverage in St. Thomas but it will be below enough to cover the business district in London.

By Mr. Coldwell:

Q. I take it from your evidence, Professor Bayly, that what you are trying to emphasize is that we should use to the fullest extent the channels that have been allotted to us by the Havana agreement?—A. Exactly.

Q. That is your evidence?—A. Yes.

Q. Regardless of who gets them?—A. Yes, regardless of who gets them. Canada must get these channels.

By Mr. Ross:

Q. And should not lose any time in doing so?—A. We should not lose any time in doing so, to the fullest possible extent. I might say if you had been, as I have been, a consulting engineer, trying to find new channels for stations, it is heartbreaking to go from the channels we thought we had and find that since the agreement took place our possibilities have been encroached upon more and more until it is now a matter of the utmost difficulty to find a place in Canada where you can put a 1,000-watt station. In fact, I think I can almost safely say that unless you get to the northern end of Saskatchewan or somewhere in that region you would have an impossible task. I know of no place where you can put a 1,000-watt station to-day, without a serious and difficult directional antennae design.

The CHAIRMAN: Thank you, Mr. Bayly.

Gentlemen, do you wish to continue with Mr. Sedgewick?

Mr. JOSEPH SEDGEWICK, recalled.

The WITNESS: Mr. Chairman and gentlemen, may I now turn to some of the matters that were raised in last year's report and in the debates?

Mr. COLDWELL: Is this a new subject?

The WITNESS: Yes.

Mr. COLDWELL: It is about two minutes to one.

The CHAIRMAN: We did not start until a quarter to twelve; I think we had better continue until 1.15.

Mr. COLDWELL: I have an appointment at 1.15; I was here on time.

The CHAIRMAN: How long would it take you to finish the whole of your presentation, Mr. Sedgewick?

The WITNESS: I think I would need about an hour or so; of course, I am in the hands of the committee as far as questions and interruptions are concerned.

The CHAIRMAN: I suggest we adjourn to meet at 4 o'clock this day in this room.

Mr. ROSS: Does that suit Mr. Sedgewick?

The WITNESS: It will have to suit me, I am your servant.

The Committee adjourned at 1 o'clock to meet again at 4 p.m. this day.

AFTERNOON SESSION

The committee resumed at 4 o'clock p.m.

The CHAIRMAN: Before we begin, I may say that the Chair has no objection to members removing their coats if they will be more comfortable. Mr. Sedgewick will continue with his presentation.

Mr. JOSEPH SEDGEWICK, General Counsel, Canadian Association of Broadcasters, recalled.

The WITNESS: Before I leave the question of power, there is one thing that I did not mention and I do not think Professor Bayly mentioned it either. It is just a comment. He spoke of class 3-A stations which of course are on shared channels. I should point out that those class 3-A stations, I think there are about seventeen or eighteen in Canada, are now operating on one kilowatt; that is 1,000 watts. Of course, so far as the Havana treaty is concerned, they could all go up to 5,000 watts. The thing that prevents them is the present regulation which prohibits those stations from increasing their power. There is no technical reason why they could not go up to the full 5,000 watts permitted by the treaty. That is all I want to say about that.

By Mr. Boucher:

Q. Do I understand you aright, Mr. Sedgewick, to say that under present regulations they cannot increase. By that do you mean war-time regulations or is it the policy?—A. The policy of the C.B.C., the policy established long before the Havana treaty; and as I have often admitted, I think, justified at that time but I do not think justifiable now in view of the terms of the treaty and the advantage that has been taken of the treaty by the other nations subscribing to it. I do not think that the power ceiling is any longer something that is in the interests of the Canadian people.

Now, Mr. Chairman, if I may, I should like to turn to another matter which was raised in the report and in the house, and that is the question of licence fees paid by the private stations and also of the fees paid by the private stations to their association, the Canadian Association of Broadcasters. Some mention was made of those licence fees in the debate in the house, and while I am not just sure as to the connection between the licence fee and the fee paid to what is in effect a trade organization, I think it is only fair that the committee should have the facts and come to what conclusion they will as to the licence fees.

Until 1939 all the commercial stations in Canada, regardless of size, power or coverage, paid a fee of a flat \$50 annually to the government for their licences. This committee, sitting in 1939, made a recommendation which is recommendation 13 in their report of that year, saying:—

Your committee recommends that the licence fee for privately-owned broadcasting stations be revised in relation to power and population served, and that the new scale be effective for the current fiscal year.

Following that recommendation, discussions took place between representatives of the Department of Transport and representatives of the private stations—I had considerable to do with those discussions—and a formula was worked out under which the stations pay an annual licence fee based on their power and the population that they serve; that is, following the recommendation of the committee. It ranges from a minimum of \$50 in the case of 50-watt and 100-watt stations up to a maximum of \$4,000 a year for the very large stations such as CKAC Montreal and CFRB at Toronto. As has already been pointed out to this committee, during the current licence year, the commercial stations paid a total of \$34,750 in licence fees. That money—I am not sure whether it was finally made clear, but there was some doubt apparently during the course of

discussion—while it is paid to the Department of Transport, is turned over by the Department of Transport to the C.B.C., and to that extent it assists. I suppose, in defraying the costs of their programs and so forth.

By Mr. Coldwell:

Q. The cost of services?—A. Well, no. I intend to come to the question of services later. It has nothing to do with services, as I shall show.

By the Chairman:

Q. I might correct you there. It is not necessarily turned over to the C.B.C. at all.—A. I do not know whether it is necessarily so, but I understand it is, in practice, so.

Q. No, not even in practice. It is not earmarked at all as such. The Department of Transport, less what it costs for services and commissions for collecting the licence fees, turns over the balance to the C.B.C.—A. Yes. And they include those, I believe, as a separate item. In any event, whoever gets it, I can assure you gentlemen that the private stations pay it, and it comes from them; it goes into some department of government and is disposed of as the department decides. We have no control over it whatsoever.

By Mr. Boucher:

Q. And the entire income, directly or indirectly, goes to the benefit of the C.B.C. Is that correct?—A. I believe so. I believe it was so stated here. I believe the department make up a statement that shows the licence fees collected from individuals. They deduct a fixed rate. Whether it is the cost of collection or not I do not know. They deduct a fixed rate and then there is the balance, and then they add to this balance the \$34,000 odd which they have collected from private stations, and of course that makes an augmented balance which they turn over to the C.B.C. There is nothing improper about it. I think that is the way it is done.

By Mr. Coldwell:

Q. I was thinking of services such as monitoring of interference.—A. I intend to come to that. I merely want to point out, however, that so far as the present licence fee is concerned, while it has gone up annually, it has gone up because the stations have increased their power or because they have increased their population coverage; and that is the basis of it. The formula has not changed since 1939. I really do not know what reason there is for a change, but I do point out that the fee is payable regardless of revenue. A station that loses money—and some do lose money—still pays the licence fee, and it is a fixed fee payable at the commencement of the broadcasting year. Of course, the C.B.C. stations pay no similar fee, nor do they pay taxes of any kind so far as I know. As to this question of licence fees, I think it is my duty to give to the committee as much comparative information as I could gather; and the two broadcasting systems with which I am familiar, and which may reasonably be compared with our own, are the Australian and the American. In Australia—and I explained the Australian system this morning—all stations pay a flat fee of £25, approximately \$100. I should like committee members to compare that amount with the \$4,000 paid by our larger commercial stations. In the United States these stations pay no licence fee at all; no fee whatever.

By Mr. Boucher:

Q. On that point, somebody mentioned service charges. Would you not think that, for the welfare of the Canadian people, if contribution must be made by the independent stations to the Canadian Broadcasting Corporation for services rendered or otherwise, it would be better to pay it as a fee than as a payment for services, in so far as the Canadian Broadcasting Corporation would then have

the obligation, and the privilege of extending their services not to the independent stations for their benefit, but to the independent stations for the benefit of the communities they serve, without reckoning costs?—A. I wanted to come to that question just in a minute or two, because I think the committee was left—not intentionally, of course—with some misunderstanding as to the relationship between the Canadian Broadcasting Corporation and the private stations. I merely want to say at this point that I think the licence fee, which is merely a licence to operate a station, is reasonably fair. It would not be any more or any less fair by increasing that say 50 per cent or by decreasing it 50 per cent. We cannot talk in terms of half a million dollars or anything of that kind. I think about \$34,000 is reasonable, and certainly it bears a reasonable relationship to any services that are performed for the stations. I want to make a point there in a second, but first I would just like to take the other side of the argument because some question has been raised as to the broadcasters' association. Its total membership fees for the current year, if we collect them all, will amount to \$41,820, no very great difference from the amount of the licence fees.

By Mr. Coldwell:

Q. Are there any special assessments for any purpose?—A. I will explain that. No, we have not had assessments for years. I shall explain the basis of the fee. I have here a detailed list. It is in my brief. I will leave it for the committee if they want it. There is nothing secret about it. The basis of the fee is that the station pays a monthly fee of twice their peak half-hourly rate; that is, the station sets its own card rates. If the station charges \$20 for half an hour of its evening time, which is the peak time, then the fee to the association would be \$40 a month or \$480 a year. The fees paid by members range from a minimum of \$136 a year to a maximum of \$2,640. That is, no station pays as much to this association as the maximum licence fee. Some pay more, but the top at least is less. The \$2,640 maximum is to be compared with the \$4,000 maximum licence fee that is paid.

Q. So that you are a little harder on the stations with the least revenue?—A. Well, no sir; because their population and coverage is something they do not fix themselves whereas their card rate, the rate they charge on their station, is something that they do fix for themselves, so that really they fix their own fee. It is based on what they think the station is worth commercially. I suppose I should mention, because it is included in the chart that I have prepared, that commercial stations also pay performing right fees; that is for the right to broadcast music over the air, the mere right to select what tune you will play. The stations pay a total of \$90,000 per annum for that right, and it ranges from trivial amounts in the case of a very small station up to about \$11,000 per annum for the bigger stations. That is a payment for the right to use the music. Of course, the Canadian Broadcasting Corporation also pays performing right fees. It pays a total of about \$56,000 per annum. As to what the station operator gets for these substantial payments, because they are substantial—

By the Chairman:

Q. It is \$65,000, not \$56,000.—A. I may be a year behind, although I appear annually before the board. I thought it was \$56,000. But whatever it is, they will pay somewhere about 60 per cent of the total paid by private stations. As I say, what they get for the performing right fee, of course, is the right to use copyright music. For the licence fee, the stations may get a certain amount of technical supervision and monitoring of interference. But I do believe that the fee paid is adequate for any services that are performed. The best authority is the department. In the house the chairman said that the licence fees paid had not compensated in any way for the services given them—that is, to the private

stations—by the people of the country and by the government. But the committee will recall probably that last year Mr. Walter Rush of the Department of Transport was giving evidence about licence fees, and Mr. Coldwell questioned him about what they did for the private stations. This is on page 623. Mr. Coldwell said, "What services do you render to these stations?" Mr. Rush said, "Services?" (Apparently he was a little surprised.) Mr. Coldwell said, "Yes." Mr. Rush said, "We do not render any services. We see that they comply with our regulations. They are inspected periodically, checked." That is about true. There are no services rendered to the stations. They do not go around saying, "May we help you to improve your facilities?" or do anything at all. Mr. Rush's surprise at the question is probably justifiable, because they do not consider that they render any service whatever.

Now, I may turn to payments by the C.B.C. to the stations; that is a matter which I think was left somewhat vague. There are three general classes of stations—I think I can divide them in that way—that is, there are the affiliates, they are the stations that together with the C.B.C. owned stations form what is called the national network; then there are stations that get unrestricted sustaining service; then there are stations that get some sustaining service and occasionally may get commercial programs; then there are the last stations that get nothing at all in the way of programs from the C.B.C. Now, dividing these up—and this is a point which I do not think has been made clear in the discussion to date, so far as the stations on the network are concerned, their relationship with the C.B.C. is a matter of contract; and I think Dr. Frigon stated that when the C.B.C. started their network many stations were not anxious to join; but there is a contract deal between them, and the deal is very simple—it was explained to this committee—when an advertiser wants to use the network it is sold to him on the basis of the card rate of the stations that comprise the network. And now, let us take a concrete case; just suppose that station XYZ had a fixed rate of \$100 an hour. If an advertiser wants to use station XYZ as part of the network he pays that \$100 and he pays it to the C.B.C. Of that the C.B.C. gets \$50, out of which it pays the frequency discounts and agency discounts and there is not very much left; and it pays \$50 to the station itself. Now, I do not say that the C.B.C. makes a great profit on it, because it does not.

By Mr. Isnor:

Q. Might I ask a question, Mr. Chairman? That is not what I understood Dr. Frigon to say.

The WITNESS: If Dr. Frigon is here he can correct me if I am wrong. I know that is how it works.

Q. He stated that it was the complete coverage, more complete than the network affords — A. That is quite right, sir; but you see the network consists of nine stations that are owned by the C.B.C. and I think 26—someone will correct me if this figure is wrong—26 stations not owned by the C.B.C. at all. If an advertiser purchases C.B.C. network time what he pays for in effect is a half hour's time on the nine C.B.C. stations and on the 26 private stations that are affiliated with the C.B.C. to form the network; precisely as he does if he buys the N.B.C., Columbia or Mutual; the amount that he pays is the card rates of these stations added up together.

Q. But a sponsor is not in a position to indicate or select what stations he wishes to have his program go over?—A. No, he must take the complete network.

Q. All right; but I understood he could buy other stations.—A. That is quite right. He has every right to ask for other stations; there are 35; if he wants to add another 10 he can say, "well, I would like to add this and this and the other station," and in that case he of course pays for their time

also. But the first point I want to make is that in the report that has been filed it lists the total amount of some seven hundred thousand dollars paid by the C.B.C. to private stations, but that is not money of the C.B.C., they are only the handlers of it; that is, 50 per cent of the money is paid direct to the commercial stations and covers the time on the network of the various stations; they (C.B.C.) keep 50 per cent and they turn over the other 50 per cent to the other stations actually carrying the program. I will read to you what Dr. Frigon said in his evidence last year:

Q. Does the C.B.C. make a profit on the amount of advertising they turn over to the private stations?—A. Yes, we do make a profit; there is the difference between what we collect and what we pay the stations. The stations are paid on a predetermined rate of 50 per cent of the rate card amount; that 50 per cent difference takes care of the commissions we have to pay and the different charges that we have to meet. There are the commissions, and then there are certain regional discounts and frequency discounts. If the station rate, for the sake of discussion, is say \$100, then if the station is bought for 13 occasions there is a discount, and if it is bought for 50 occasions there is another discount; if a station goes on a regional network there is a discount, and if it goes on five regional networks there is another discount. Then there is a commission to be paid to the agency and to the American network, if it is an American program. So there are a number of items to be paid out of the 50 per cent margin; one-half the amount shown on the rate card goes to the private station and we meet the other expenses out of the balance. I may say that we do not lose on the arrangement but again we do not make much money.

By the Chairman:

Q. Might I interject there?—A. Yes, sir; I am glad to have you do so.

Q. Will you explain this; in 1943 according to a statement of income from commercial stations it was \$1,204,000, according to a return which was made here as payment to private stations outside of network commercial programs and subsidiary hook-ups; and \$780,000 of that—approximately \$800,000 — — A. It is not exactly 50 per cent?

Q. If it is on a fifty-fifty basis, why is there that discrepancy of a couple of hundred thousand dollars there?—A. Well, with all due deference to what anybody else may say, the way that amount is made up is this: the whole amount is paid by the broadcaster—quite properly—to the C.B.C. Let us suppose for instance there that a station like station CKAC originates a program and it is not on a network, it gets no sustaining programs and no service from the C.B.C. at all; and further, let us suppose, it is put on an isolated program as in the case of which I am thinking—then the whole amount paid by the advertiser is paid to that particular station because that station gets no service whatever from the C.B.C.; it is his money and not the C.B.C.'s—and if the advertiser wants to add other stations and does add them he pays for them—

By Mr. Isnor:

Q. Who does he pay that to?—A. He pay it to the C.B.C. The fee is based on the rate card for that station. He pays the money and in that way closes the deal; but the C.B.C. has no interest in the money at all and the advertiser pays no money to them for it.

By Mr. Coldwell:

Q. Would it be like a good lawyer and collect a fee for that service?—A. Sometimes I do and sometimes I do not.

Q. No, I say does it?—A. Oh, pardon me; it may get some profit on it occasionally; but suppose it is a station on this list not affiliated with the C.B.C. and it is asked to take a commercial program; just added to the network for that occasion, and paid; I do not know that the C.B.C. is entitled to any fee for collecting. One station might not care to carry a program, another would.

By Mr. Boucher:

Q. In effect it is without charge, the service of transmitting the business to that private broadcasting station?—A. Yes. Sometimes that station addition is made because the advertiser insisted on it; he knows that he can use it anyway, either by having it on the network or by using spot outlets; but there is no cost to the C.B.C. What I want to make clear, this \$787,000 looks like a lot of money, but not even the 48 cents at the end of it is C.B.C. money. Every dollar and every penny of that money was paid in by the commercial sponsor and paid out by the C.B.C. to the stations as rental of their time based on their official card rates. So I would not like the impression to go abroad that the private stations are getting some three-quarters of a million dollars from the C.B.C. They do not. They get no money from the C.B.C. at all. As I said, what the stations that are on the national network get is half their card rate, and the sustaining programs of the C.B.C. from time to time. That is what they get, the right to the sustaining programs.

Q. Are there ever occasions when the C.B.C. has some program which they want a private network to broadcast and for which they pay the private broadcaster?—A. Never, on the C.B.C.; I do not think they have ever paid anything to the private stations to broadcast one of their programs. I know of no instance and I want that to be quite clear; never is one penny of money paid out to the private stations, money belonging to the C.B.C.

Q. Do you not think that there is something to be done in that respect by way of service to the people of Canada, that the policy were reverted to?—A. You mean, that the C.B.C. pay private stations; oh, I think that would be a bad thing; I do not want C.B.C. revenues to be cut into. They need it. I think they are doing a very good job.

Q. Well, I am thinking of occasions such as when the C.B.C. program is of peculiar private local interest and a good service to the people of that community could thus be given by private stations rather than over a network, a great deal of those programs, at least a large portion of them, are not of interest outside of that particular locality?—A. Oh, you are quite right about that, sir. May I suggest in that case that the program should not be on the network at all; for instance, a program that is particularly directed to the city of Ottawa, or Halifax, or Moose Jaw, and is of not much interest to the rest of the country; that program does not belong on the network. that program ought to go over a local station only; that would be the cheap and sensible way of doing it I should think; it would be inconvenient to put such a program on the lines, as it could not be regarded as national in scope and should not be put over in that way.

Q. I was thinking of something that is not of commercial value but is of national value and the C.B.C. having the program ready and assuming it would be advantageous to the welfare of Canada and it needs to be carried into a particular area where the service is not efficient and where the service by the private broadcasting stations would ensure adequate local reception of such a program in that community only.—A. Well, that happens occasionally, sir.

Q. Does that not call for an explanation worthy of the consideration of this committee?—A. Yes, it may be that it has happened occasionally. There are occasions when the C.B.C. feels that in a certain area its own coverage should be augmented by the use of private stations. But, as to commercial programs,

the advertiser selects; as to sustaining programs, the arrangement I have indicated is the one which should be followed.

I am only asking that the private stations be left pretty well free to work out their own salvation. We do not want to do that at the expense of the C.B.C. and the taxpayers' money. Those are my instructions.

Q. I am looking at it from the angle of the C.B.C. making use of the private stations as far as it is necessary to do so for the welfare of any community.—A. I think private stations do now and always have carried programs of that kind. Where the C.B.C. thinks a program should have additional coverage in an area by a station not on the network, such a station would join the network in order to give the additional coverage required to carry the program.

By Mr. Ross (St. Paul's):

Q. Do the private stations have a network at all?—A. No, sir; although, of course, many private stations are affiliated on the C.B.C. network.

Q. Take for instance, you see how much radio goes over CFRB—are those programs carried over other parts of the country as well?—A. Yes, then it goes out over the C.B.C. network.

Q. They have only one network in Canada?—A. That is all—the C.B.C.

Q. I think when he was before us Dr. Thomson said that it would be a pretty expensive thing to put a secondary network in; I think he estimated it would cost \$10,000,000 for the private stations to do it; have you gone into that question of cost there at all?—A. Yes, we think we could establish a network for a lot less than \$10,000,000.

By Mr. Coldwell:

Q. It does not quite agree with the evidence of Mr. Bannerman as I recall it; I think he stated that it would not be economically feasible or profitable to have a second private network in Canada—I think he said that in 1936.—A. I think he was right, speaking in 1936—I do not recall what he then said, though I think I have the brief that was presented in 1936 but I must have left it in my room—in any event I think that is so. However, speaking of a secondary network and its possibilities, there has been a big increase in the commercial use of radio. I think his estimation was based on the situation which existed in 1936, but I think that speaking as of 1943 probably it could be done.

Q. I think Mr. Bannerman said this:—

Twin networks might be practicable in Canada in some of the more densely populated areas. But if Canada were to attempt to establish duplicate networks of lines and stations to serve 90 per cent of the population, there would be very little left for programs. And with duplicate schedules of competing programs required, the problem would be still further complicated.

A. At that time that was true, but the commercial revenue of the radio has increased tremendously since 1936; and as there is more money to be spent more can be done with it. I did not come prepared to speak on the question of a second network and so I could not speak intelligently about it at this time. I think Dr. Thomson said that it would require a lot of thought, but I do think private stations could establish regional networks in certain areas—separate our regional networks, for instance on the prairies. I think the stations there that are not on the C.B.C. network could probably establish regional networks making use of the government-owned telephone communication systems in those provinces, but I am not prepared to say exactly what it would cost to establish a second commercial network or a second complete network, or precisely how it would be done. We did make suggestions in 1939 and in a general way I think I know how it would be started. If the private stations started it we certainly would not think of investing anything like \$10,000,000.

Q. I notice that Mr. Bannerman also said:—

It will require all our resources, both public and private, to produce the desired standard of quality, even within a single network system.

A. Speaking in 1936 that was true. Revenue was very small. Speaking in 1943 it is not as true as it was. So many things that were true in 1936 have been falsified by time.

By Mr. Durocher:

Q. As to the cost of hook-ups or arrangements between stations as you mentioned a moment ago if, for instance, CKAC sponsors a program and makes arrangements with the C.B.C. do they get the same rate as the other stations, a cut of 50 per cent?—A. No, I think if CKAC sponsors a program—and Mr. Lalonde who manages it is here and will correct me—and feeds it out to some other station, while it must buy its lines from the Canadian Broadcasting Corporation and must get permission, of course, I think that is the only part of the transaction in which the C.B.C. is interested. I think then that CKAC and the other station to which it gives the feed get the whole of the money paid by the commercial sponsor. Is that right, Mr. Lalonde?

Mr. LALONDE: That is right.

By Mr. Durocher:

Q. They would be at a disadvantage compared to the C.B.C.? They would be paying the whole cost while on the C.B.C. they only pay 50 per cent?—A. CKAC is not on the C.B.C.

Q. Well, take any other station, an independent station or privately-owned station.—A. In that sense it is true that for two or three private stations to make a hook-up it is more expensive for the advertiser because it does cost a great deal more for lines than for the advertiser merely to buy time on the national network. Tailored networks, as I think they are called, cost more.

Q. In other words, they have got to pay and they have not got the privilege of receiving anything from the licence fees?—A. No sir, but we do not complain about that so long as we are not accused of receiving something.

Q. The C.B.C. gets the licence fees and then charges the station so much or pays the station only one-half of their rate for a hook-up, while if it is the reverse, if it is a privately-owned station which wants to use the C.B.C. they have got to pay the full price?—A. I do not think that is so. It has rarely, if ever, happened, but if a private station originated a program and was permitted to feed that program to the C.B.C. then they would be paid their full rate. I think that is the theory although I believe it does not happen; that is all. The C.B.C. will not take a feed from a private station so far as I am aware. As they do not do it, it is an academic argument. As far as I know the C.B.C. does not take a feed for its own network from a private station, a commercial feed. That is, if an advertiser in Toronto wants to use the C.B.C. facilities he must use CBL; he cannot use CFRB (which is a private station) and then feed it to the network.

Q. I could not go direct to CKAC and ask them to broadcast through the C.B.C. network?—A. No, not so far as I am aware.

By Mr. Isnor:

Q. Are commercial firms restricted as to expenses in connection with their broadcasting in the same way as advertising?—A. You mean is there a ceiling?

Q. Yes.—A. No, sir. It is a long story. I think the Wartime Prices and Trade Board went into it very carefully and they did not place any restriction on our rates. Of course, we are subject to the ordinary restrictions. Very few stations advertise except sporadically. The total amount spent by radio stations in advertising over a year is insignificant.

Q. Is the total expenditure in connection with advertising restricted?—

A. I think there is some general ruling that you cannot spend more than you spent during a basic period, and I suppose that applies to radio stations as it does to other industries but it does not bother them much because they never spent much on advertising in other media. Of course, their advertising is their programs. That is the principal advertising they do.

By Mr. Coldwell:

Q. So far as chains are concerned that is pretty well covered by the Act. It is section 21.—A. As far as what?

Q. The organization of network chains?—A. It is covered by that.

Q. "No private station shall operate in Canada as a part of a chain or network of stations except with the permission of, and in accordance with the regulations made by, the corporation." That is pretty well covered by the statute?—A. Yes, it is. Some stations do so operate but, of course, they have permission. I intend to deal with that later. I think that is all I can say on this point unless there are some more questions about payments from the C.B.C. to the stations.

As to the association probably I have said all that needs to be said except this, that in every country where there is commercial radio there has been found a need for an association of operators. There is such an association in Australia, a very strong and useful one. There is one in the United States, the National Association of Broadcasters which, by the way, has an annual revenue of some \$350,000, that in a country where stations pay no licence fee at all. As to the function of the Canadian Association of Broadcasters it does for the stations what it would be difficult and probably impossible for them to do for themselves. It keeps them informed as to legislation, regulations, orders in council, etc., and that is a considerable task these days, gentlemen. It is useful too, and is extensively used by all departments of the government in their dealings with the private stations. It represents the stations as a unit before the Board of Governors in all matters affecting the industry as a whole. It represents the industry in connection with performing rights, a very substantial thing to us. We pay close to \$100,000 a year and negotiations with the Performing Rights Society are carried on by the association.

By Mr. Isnor:

Q. Are your dealings with the Canadian branch or the United States branch?—A. It is a complicated affair. I suppose A.S.C.A.P. in the United States controls the C.P.R.S., but our actual dealings are with C.P.R.S. Their repertoire derives mostly from A.S.C.A.P. which is controlled in the United States. I think that is all I can say unless somebody wants me to say something else about licence fees and about what is paid to the association. I have a list—anyone interested can look at it—showing what is paid by the stations both for licence fees, membership fees in the C.A.B. and performing rights fees. I will not file it unless anyone wants me to do so.

The CHAIRMAN: Excuse me; do the committee members wish this to be filed or are they interested in it particularly?

By the Chairman:

Q. What is it?—A. It is a lengthy thing and will take a lot of government money to reproduce.

Mr. COLDWELL: Why not file it? If the members want to look at it they can do so.

Mr. ISNOR: I do not think it should be printed.

The WITNESS: I really thought it should not be printed. I have no objection at all to the members seeing it.

The CHAIRMAN: We will file it.

The WITNESS: To avail as it will; if there are any questions on that point I should be glad to deal with them. If not, I will pass to the next item. The next item that I wanted to speak about, quite briefly, is the question of the profits and earnings of private stations. It has been said that the private broadcasting stations make tremendous profits. I think the phrase used is, "out of all proportion to the service they render." It was also said—and I think I should in fairness to Mr. Bannerman clear this matter up—that last year Mr. Bannerman promised to bring financial statements. Mr. Coldwell said that.

Mr. COLDWELL: I said that.

The WITNESS: I think that is a misunderstanding. I was present when Mr. Bannerman gave his evidence and all that Mr. Bannerman was asked to give was a breakdown of the time donated by the stations for patriotic and charitable purposes into hours instead of dollars. He gave the figure in dollars and you then asked him if he would supply information as to the earnings of the stations and he said he did not have it and could not give it even if he had it. I have read the minutes carefully, Mr. Coldwell, and the only question that I can find was on page 978. You said to Mr. Bannerman:—

Q. Will you be able to give us in the course of your evidence the gross receipts of these private stations from advertising, the stations which you represent here?—A. Mr. Coldwell, you can appreciate my position as president and general manager of an association which is not a complete unit like a corporation. It has a voluntary membership. I do not have access to the detailed figures of revenue and the figures of profit and loss.

Q. As president and general manager of the organization surely you would know what the gross receipts and profits are of the various stations of which you are the president and general manager.—A. I am the president and general manager of the Canadian Association of Broadcasters, not of the individual stations; I do not have that information.

I think that is the only reference there was to it. Then I was just going to refer to, and the chairman has been good enough to draw my attention to, the recent order in council, but before the order in council was passed I had gone to some trouble to find out about what the stations do make, in gross. I sent out quite an elaborate questionnaire. I have copies of the questionnaire here and I would be glad to file one if anybody wants to see one. That questionnaire asked for statements of the earnings and profits of the stations over a five-year period, and we did not ask that the figures be sent in to the association because for obvious reasons many of the stations did not want their figures available in detail to the officials of the association or to anybody, because we have a number of stations who compete with each other and compete quite severely in the same town or city. What we did ask was that they should send the returns to our auditors, Messrs. Clarkson, Gordon, Dilworth & Nash, and from statements received the Clarkson firm have prepared a composite picture. After the order in council was passed I did not press for any more returns, but thirty-nine stations did make a return and in the report which I shall file and which is accompanied by a certificate from the Clarkson, Gordon firm, there is a list of stations. I may say while they do not include all the biggest ones they include two of the biggest, CFRB and CKLW, and I think they are reasonably representative of the industry as a whole. Dealing with the report, it will be observed that twenty-nine of the companies were able to give figures for five years back. I am only going to refer to a few and file the report. They show that in the year 1938 the total billings of these twenty-nine stations were \$1,746,000 and that there was a continual rise up to 1942 when total billings were \$2,708,000 for these twenty-nine stations. In 1938

these twenty-nine stations made a total profit of \$213,000 or 12.22 per cent of profit to billings. That profit rose in 1942 to 19.58 per cent of profit to billings. However, they did not get the money. They paid in 1938, \$41,000 in taxes on income. They paid in 1942, \$263,000 taxes on income, with the result that in 1938 the profit which these stations retained was 9.84 per cent as to billings and in 1942 was 9.85 per cent, so that from 1938 to 1942 their position so far as anything they retained is concerned remained virtually unchanged.

By Mr. Isnor:

Q. There would be very little difference between 1938 and 1942 because their earnings would be more or less standard while their income taxes and excess profits taxes might increase?—A. No, their earnings are not standard for this reason. Their rate has remained standard but the earnings on that rate have been like the earnings of a newspaper; they go up as they get more advertisers to use the facilities, and radio has constantly, because of its success, interested more advertisers, so while the rate has been fixed they have been getting more actual time sold so that their gross billings—that is the first figure I gave—in each year have gone up; but what I do point out is, as to these twenty-nine stations which were able to report for the five-year period the profit is less than 10 per cent of billings. Here is a sample: the billings are \$2,708,000 odd, and the profit after taxes is \$266,862.20, which is small for an industry and is about the same as it was in 1938. This after they have paid taxes. They are not becoming war rich and—

Q. My point is, you had a basic period there?—A. Yes.

Q. All commercial firms have a basic period, which, if I remember correctly, was fixed in 1936, 1937, 1938 and 1939?—A. Something like that.

Q. So your returns would vary very much from the percentage standpoint?—A. Well, they might, sir, because while that is the basis you cannot say that that means that their profits remained fixed over the period; it does not work out that way, it only means that over and above the earnings of that basic period they pay 100 per cent in taxes, but I do not think it means that of necessity the basic earnings remain fixed; they do not, as a matter of fact, they fluctuate, and, as a matter of fact, some stations still have losses.

By the Chairman:

Q. Your statement would not mean very much unless we knew what your write-offs were. You have, I presume, depreciated your equipment by what?—A. Whatever is allowed by the Income Tax Department, it is not fixed, it depends on the type of equipment. In some firms where obsolescence is rapid—

Q. Unless we have your write-offs the profit and loss statement does not mean much and does not have much significance.—A. That is a strange statement, doctor, if I may say so. I have had a certain amount of accounting experience and I should think that write-offs only represent worn-out equipment during the year. For instance, if we buy some very expensive tubes, costing about \$100 each, and their life is two years, and we write off 50 per cent each year, that does not mean we have made that much more money, it simply means we are properly depreciating our equipment so that when it becomes either obsolete or worn out we can replace it.

Q. I am thinking in addition to that of whatever reserves you have.—A. The reserves are, of course, included. We are not permitted to build up reserves at the present time.

By Mr. Coldwell:

Q. You can make extensions to stations?—A. That is capital; we are not permitted to take that out of our taxes.

Q. No?—A. That does not show. They would have to show that as an additional capital investment. We cannot depreciate our income for the purpose of extending our facilities, we are not permitted to do that; the taxing authorities

won't allow us to do that, therefore I think the statements are accurate and accurately reflect our position. There is one further figure I want to give. As I say, 29 companies were able to give figures for the full five years, and then I have 2 additional ones for four years, 3 additional ones for three years, 1 additional one for two years and 2 additional companies for one year, and we have a total of 37 companies, representing 39 stations, which gave a statement for the year 1942 only, one year, and in that year for those 39 stations, with a total billing of \$3,208,379.46, there was a gross profit of \$508,166.92 or 15.83 per cent to billings. Taxes on income were \$264,781.67, leaving a net profit of \$243,385.25 and a net percentage of profit to billings of 7.59 per cent. That was the largest sample I was able to secure. As to the relation of profit to capital, the capital employed was \$2,485,852.41 for that year (1942), and the percentage profit to capital is 9.79 per cent. I must say, gentlemen, that is not a complete statement for very obvious reasons, the principal one being the recent order in council, as a result of which I did not pursue the matter, but it does indicate one thing, and that is that the profits of the private stations are not unreasonable. I should have thought that in dealing with a business like the entertainment business, which radio is, a profit of 10 per cent or less of billings or 10 per cent or less of capital employed is not only reasonable, it is very small. I may say that I am informed that the total profit of the industry is probably about one-fifth of the profit of one of the very large newspapers in Canada. I do not care to mention the paper, but inquiry would no doubt confirm what I have said. Because considerable has been said in this house and in various reports from time to time about profits made by the stations, I should like to say something about the matter generally. The first point I should mention is the very nature of the business, its insecurity of revenue. The stations have managed to persuade advertisers to use their medium. They are by no means sure they will be able to continue to interest them. Media change; advertisers' habits change, people's habits change, fashions in entertainment change, and radio is part of the entertainment business. It should be setting up reserves for complete obsolescence, because, as Dr. Frigon said the other day, it is a changing art. I recall that the C.B.C. was congratulated and congratulated themselves, and I think rightly, on the amount of money they have put aside for the purpose of improving their system to meet changing technical conditions. No less than the C.B.C. should the private stations have that opportunity. If they make reasonably high profits this committee may, I think, rest assured that to the extent they are permitted they will use those profits in the future as in the past to furnish themselves with better equipment, to produce better programs and generally to do a better job. Then, of course, in my reading of the reports and statements that have been made, it seems to me that the stations are criticized on both sides. I see that those stations that have kept expenditures down and have got along with old equipment and generally economized have been subject to criticism, because last year's report said the financial position of the privately owned broadcasting stations had improved substantially during the past few years and the corporation should consider whether the private stations are increasing their services to the public correspondingly, which, I think, is a direction to the station to expand their facilities and services; and yet, on the other hand, there was some implied criticism at least of some of the stations that had built good studios and transmitting facilities. I notice that Mr. Claxton in examining Mr. Bushnell last year asked if the financial position of the private stations had improved and Mr. Bushnell said, "I think that is a fair statement, yes," and Mr. Coldwell said "Greatly?" and Mr. Bushnell said, "I did not see their balance sheets, but from the volume of business they do I take it their position has improved." Mr. Coldwell said, "And by the type of studios they are building and the facilities they are undertaking." As I pointed out, I do not think we should.

on the one hand, be criticized for not giving the best service and, on the other hand, be criticized for improving our facilities. In my submission the position in so far as the private stations are concerned is simply this: as they make more money they should give a better service and they should build better studios and they should build better towers; and conversely if they are making more money it is probably because they are giving better service and perhaps they are attracting greater audiences and the mere fact they do operate profitably is some evidence of increasing usefulness.

By Mr. Tripp:

Q. Is broadcasting of such a nature that the cost remains fairly stationary?—A. No, they fluctuate tremendously. As a matter of fact it is a peculiar business in this respect, since the more business you do your costs may go down. Suppose you have to fill 16 hours a day of broadcasting time. If you are an astute station manager and you are able to sell 50 per cent of that time you then have 50 per cent to fill by sustaining programs, but as you lose commercial accounts that percentage drops from 50 per cent to 40 per cent to 30 per cent to 20 per cent of your time, which you must fill by your own talent and efforts, and your costs rise correspondingly, therefore if the station starts to lose advertising revenue instead of their cost of operation going down it will go up, and that is particularly true of a station in a metropolitan centre, which is restricted very greatly in the use of mechanical transcription. The stations in the larger centres have to supply a lot of live talent programs; they are compelled to do that. Whether these live programs are commercial or sustaining it does not matter; if they cannot get advertisers to sponsor them they have to supply them themselves. We are in the peculiar business where we may have greater expenses with less revenue at times. That has happened. I know a station which has had to bear tremendous losses for a period because it lost its advertisers, they lost audiences for reasons not of their own making and they incurred very big losses over a short period.

Q. In that case the more advertising an independent station does over the line the greater will be its profit because their cost will be less?—A. That is quite right, and correspondingly the more money they make the more they should be allowed to build better studios and better facilities and to put on better programs of their own. No station sells all its time commercially. The majority of stations that I know of cannot sell more than about 50 per cent of their time commercially. They still have all the rest of the time left to fill with programs of their own devising, though the advertiser pays for all the programs. He pays for the programs he sponsors and collectively he pays for the programs that are sustaining, because his money pays for them too, and it is only fair that as the station gets more revenue from advertising it should spend more money on talent and do a better job on programs.

Q. You said a moment ago you are compelled to use live programs at the present time?—A. Well, we are compelled by C.B.C. regulations to use a certain amount of live talent. I have not the regulations in front of me, but a large station in a metropolitan area is restricted, I think, between 7 and 11 to the use of half an hour of transcribed programs, as I recall it. I think it is half an hour, I have argued about it. In a place like Toronto is it half an hour, doctor?

Dr. THOMSON: I am not a member of the committee.

The WITNESS: I should know, but I just have not the figure in my head. In any event, I say to you that in the evening period there is some restriction on all stations, and on the larger stations in the more important centres there is quite a drastic restriction. They are compelled by the regulations to use a very large amount of live talent.

By Mr. Tripp:

Q. What is the reason for that?—A. I sometimes have questioned it, sir. The original reason, I think, was to try to make them develop live talent; whether it worked out that way or not I cannot say.

By Mr. Coldwell:

Q. Would it be for the purpose of developing talent?—A. Well, sir, it does not do that. You cannot develop talent in the evening time as you would lose your audience. You may have a very nice little girl who sings well in the local choir. You may want to encourage her on the air, but you cannot put her on in the evening hours in opposition to a program like Jack Benny, as that does not do her any favour. The time she should be developed is during the daytime.

Q. But Canadian talent is being developed?—A. Yes.

Q. The girl to whom you have referred needs the opportunity to make a livelihood out of the talent she possesses.—A. Yes, and, of course, I could give you some figures as to the talent that has been developed, and it has been very extensive, but I was merely pointing out that a station which uses a lot of live talent would have to fill their time with their own programs to a large extent.

By Mr. Tripp:

Q. Would it be because of trouble with unions and things like that?—A. It may have been so originally, but it is not so at the moment. We have not had any union trouble for a long time, not any locally. We have had considerable trouble with Mr. Petrillo and the stations cannot now get recordings and have not been able to get any since last August. You are not able to get any new recordings because of the Petrillo ban on recordings, and that makes broadcasting somewhat difficult at present.

By Mr. Coldwell:

Q. That does not apply to live talent?—A. No, you can still use live talent, but it makes it very difficult for stations in the smaller centres. What you compete for in radio is the audience, and they cannot compete for the audience without some good recordings; it is not just a question of filling their time. I can go on the air and fill up time, but no one would listen to me.

The CHAIRMAN: Finish up with your brief, as we have to be through at 6 o'clock.

The WITNESS: All right, sir. As to profits, I merely want to say as to profits generally that I do not think they are unreasonable. I do not think it is fair to speak of profit in the radio business as if it is a sin for the station to make profit. I should think the sinful operation would be the one that did not make any profit because that operator would soon go out of business. That is a summary of it. Now, sir, if there are any questions on profits, to the extent of my limited information I shall be glad to answer them. If not, I shall turn to the next phase.

By Mr. Ross:

Q. Would not the private station do something in connection with research and things along that line?—A. Oh, yes, sir, they do a great deal. In fact, one station that I know of, the operation of it is fairly familiar to me. CFRB, did a great deal of work in connection with research and would still do it to-day if they were permitted to do so. I think they applied for a licence to establish an experimental frequency modulation station. I think they were granted one. I think they operated one for some time and may still operate it; they were experimenting to find out what was wrong and what was right about frequency modulation; at least two stations in Canada, I think, and applied some years

ago for a licence to broadcast facsimile and television. They were not given a licence, but it is not their fault. They wanted an experimental licence, not a commercial one. Some of these stations in years past did a great deal of technical experimental work—the Marconi station, for instance, which has very close affiliations with the Marconi Manufacturing Company and was in an excellent position to do experimental work. The Rogers station in Toronto was close to the Rogers manufacturing plant and its facilities were available to it. It had many highly trained engineers, not at its disposal constantly, but whom it could consult.

By Mr. Coldwell:

Q. Would Marconi and Roger stations have an added interest in doing that because they are large manufacturers of receiving sets?—A. Well, it did not very much matter. As a matter of fact, the Rogers people have sold their manufacturing business now for wartime purposes, and I can tell you that they were usually losing money on their receiving set sales.

Q. It does not mean that they lost money.—A. I know they did. However, these stations were interested in research; they were interested in finding things out. Mr. Rogers particularly was a technician; he was primarily interested in the research side of radio, and while he was head of CFRB they probably did more research work than was good for them financially. It was his particular interest in broadcasting—the technical side. They have done a great deal. I have only taken these two stations because I happen to be more familiar with them. The small stations, of course, cannot do much along experimental lines, but I think the larger stations have done a great deal in times past and I think they will do a great deal in the future.

Mr. Ross: I think they deserve credit.

The WITNESS: I think so. I think if they are permitted to participate in the development of radio they will be glad to do so and they will be helpful.

By Mr. Hansell:

Q. I would like to ask one question with respect to profits. What reduction in your rates would have to take place before there were no profits at all? I know that is quite a general question.—A. It is not possible for me to answer that question for a reason which you will appreciate. Reduction in rates? Oh, I do not know. I have heard an estimate of 15 per cent, but I do not like to generalize, sir, in that field.

Q. There is just one other question. It is usually assumed that where profits are made they are made out of the people?—A. Yes, sir.

Q. Well, now, it does not necessarily follow that that is so in the radio business, does it?—A. Oh, no, sir.

Q. I mean to say that the profits you make, say, on commercials would come out of the advertisers?—A. That is right.

Q. And would only come out of the people indirectly by the cost of that advertising being figured into the costs of the advertisers' articles?—A. Very indirectly indeed. As a matter of fact—I have not the volume before me—but it has been proven to some people's satisfaction, and to mine, that advertising does not really cost anything; I think I may say that soap is no dearer now because of the soap advertising than it was before.

The CHAIRMAN: Glycerine is cheaper.

The WITNESS: Yes, glycerine is cheaper. But there is greater distribution—

By Mr. Coldwell:

Q. Has not somebody to pay for it?—A. Who pays for it? The people as a whole. There is no doubt about that; but if they do not do it that way there would be an economic loss equal to what is spent in advertising.

Q. You think the larger volume has grown to meet the cost of advertising to the public?—A. Yes, I think with the more efficient distribution that advertising makes possible that advertising itself is not an economic loss—at least that is the theory which has been successfully advanced by people better informed than I am.

Q. I have heard it.—A. Yes.

By Mr. Hansell:

Q. You made the statement a little while ago with respect to profits of newspapers. Regardless of newspapers we must assume that the private stations are making large profits, but if the newspapers, for instance, made equally large profits they would most likely make them out of their advertising, just the same?—A. Precisely, sir; no newspaper makes any money worth talking about out of its circulation. I have heard it said they lose money.

Q. When one hears of private broadcasters making profits they are really singling out that one industry?—A. Yes. Mr. Hansell, that is what I protest about, and I hope not without avail; other people make profits and are patted on the back, and I think if we make profits we should, at least, not be dismissed with a malediction.

Q. If I could see where the profits were touching my own pocketbook I would holler but, personally, I cannot see that although, of course, I am not in favour of huge profits being made by anyone.—A. They do not touch your pocketbook, sir. As far as huge profits are concerned the present incidence of taxation is such that huge profits are not possible—they simply are not possible; they are drained off by income and excess profits taxes. Regardless of how much a station may make it cannot retain very much of it. I think they cannot in possibility retain more than 9 per cent or 10 per cent of their gross.

Mr. Chairman, I am almost finished.

I would like to turn to one other question raised, and that is the relationship of the five direct United States affiliates to the broadcasting system in Canada, and may I say—I think I did say this before—that what I am trying to do is to extract from the report, and from what has been said in this committee, the things that the committee members are concerned about, and I have tried to deal with these matters under general heads.

Now, as to the direct United States affiliates; in the report of this committee for 1942 there appears this statement:—

The corporation is given exclusive control of networks. Despite this, outlets are still allowed for United States chains in Canada through stations CKLW, CFCF, CKAC, CFRB. Your committee recommends that the corporation should consider if the continuance of such outlets is in the interest of broadcasting and of the corporation.

And the same matter, I believe, was brought up at the committee on the last day on which it sat. I should say that there are not four, there are five direct United States affiliates in Canada. The four that I have named and which were named last year and CKCL Toronto, which is an affiliate of the Mutual Broadcasting System. Permission for CKCL to affiliate with Mutual, or to carry its programs, I should say, was given in August of 1942; and I should also tell you that the Board of Governors before giving that permission considered very carefully all the factors involved and they considered the recommendation of this committee last year. Dr. Thomson was asked about these outlets, and I think he told the committee that they carried directly the programs of the United States networks but that they are not in even the remotest sense under the control of those networks. In every case the contract of those stations with the networks is subject to the C.B.C.—is submitted to the C.B.C. and is subject to C.B.C. approval, pursuant to the C.B.C. regulation No. 19 which Mr. Coldwell read a few moments ago:—

Unless permission in writing is first obtained from the corporation no station shall continue to be a part of or shall form a part of a chain or network originating outside of Canada.

I should also make it clear to the committee that the actual control of the network hook-up is in each case under the control of the C.B.C. and the feed to the station affected comes through the C.B.C. facilities. So far as these affiliations are concerned there is no expense at all to the C.B.C.—it does not cost them a penny. There may be some advantage. Also, all of the Canadian stations mentioned are old established broadcasting stations that were in business many years before the C.B.C. or the predecessor C.R.B.C. was established. All of them are situated in populous centres, and all of them were pioneers in the field of broadcasting. Their arrangement with the networks is simply this. They have the right to carry any sustaining program that is on their network, free of charge, similar to—indeed I think I can say almost identical with—the arrangement that exists between the C.B.C. and the stations that affiliate with them to form the national network. Then these stations may carry, but are not compelled to carry, such commercial programs as are offered to them; by that I mean as the advertiser cares to offer to them. For instance, in the case of CKCL in Toronto, which is a Mutual outlet, it does carry Mutual sustaining programs if it wants to, such ones as it may select. But any advertiser advertising on the Mutual chain, who wants to get Toronto coverage because he sells his product in the Toronto area, can ask CKCL if it will accept his program; and if they see fit to do so, that advertiser pays them their rate, an arrangement, indeed, very similar to the arrangement that exists commercially between the C.B.C. station and its affiliates, with this important difference. The C.B.C. may and does compel its affiliated stations to carry commercial programs; that is, without any by-your-leave the C.B.C. can sell these affiliates, and it also compels them to carry a certain number of its sustaining programs; whereas between these affiliated stations and the United States' networks there is no such compulsion. The stations are under no compulsion at all to carry any programs, sustaining or commercial. Of course, they do carry quite a few of them. They try to get commercial programs because that is their revenue; and also it is how their audience is built up. All I want to make quite clear to the committee is that there is no element of foreign control so far as these outlets are concerned, nor is there any element of compulsion. All the contracts between the affiliates and the networks are subject to the regulations of the F.C.C. so far as the United States end is concerned, and of the C.B.C. in matters affecting the Canadian end of the contract. Outside of CKCL, all these contracts have been in effect for many years, and I think they have worked with complete satisfaction not only to the C.B.C. and to the stations affected, but also to the general public, who are thereby given a much wider program choice. Indeed, it may not be without significance that last year's report, after mentioning the existence of these direct affiliates, made the following recommendation:—

Your committee further recommends that every effort be made to obviate duplication of broadcasts in the same areas and provide listeners with alternative programs.

In those centres where there are three or four broadcasting stations, the best way to give listeners the maximum choice of the best programs is by permitting as many network affiliations as there are networks with which to affiliate. There are four networks available, namely N.B.C., the Red network; blue network, Columbia and Mutual. Over its network C.B.C. carries commercial and sustaining programs of all these chains; that is, from coast to coast the C.B.C. selects. It selects from any one of the four major chains. Obviously it cannot carry more than one program at one time. It is then

faced always with the problem of choice, or somebody is faced with the problem of choice. Therefore it must choose, at any specific moment that it carries a network program of one of the four networks, as to which one it will carry. However, in the populous centres such as Montreal and Toronto, it is possible to give the public a choice of network programs. That is exactly what the Board of Governors have done, and I think wisely and in the interests of the listening public, in permitting these direct affiliations. For instance, in Montreal, the C.B.C. English-speaking station, CBM, carries the Red network; CFCF, the Marconi station, carries the Blue network; and CKAC carries the Columbia network. Mutual has no outlet at the present time in Montreal, although it is probably desirable that it should have. In Toronto, CBL, the 50,000-watt C.B.C. station, carries N.B.C. (the Red network); CKY, the secondary C.B.C. station, carries the Blue network; CKCL carries the Mutual and CFRB carries Columbia. So that you see in those considerable centres, within the area covered by those stations, the people have four network choices from time to time, and always have four choices of programs.

The only other network affiliate in Canada is CKLW situated in Windsor. I suppose I should say a word about Windsor because something was said about it earlier. In the Windsor area, because Windsor is immediately across from Detroit, the C.B.C. cannot carry or cannot feed its big programs. That is, the C.B.C., unique among the networks—and this is not a criticism of the C.B.C.; it refers to what I might call our geographical position—is not master of its programs completely; that is, of its big programs, those programs that attract its largest audiences and which are not of its own origination. It cannot control where they come from or where they will be heard, with the result that although I have no doubt at all that the C.B.C. would like to do so, they cannot feed the N.B.C. Red, the Blue or Columbia programs into Windsor at all. The people in the Windsor area, if they want to hear those programs, have to hear them over Detroit stations. That is because of the contractual relations between the chains and the Detroit stations. So, because CKLW must get an audience some way, and it could not get an audience without some network affiliations in that metropolitan area, it does carry the Mutual programs, and I think it does a very good job. It must be remembered that it does not get Fibber McGee, Jack Benny, Charlie McCarthy or the Lux radio—those are all carried on the Detroit stations,—but it does carry the Mutual programs and it carries to a very large extent the sustaining programs of the C.B.C. I think it does everything in its power to give to the Canadian population in the border area a considerable volume of broadcasting of Canadian origination. But as I say, it needs some network affiliation for a metropolitan market of that kind if it is to compete, because it cannot carry the ordinary C.B.C. network; and what it competes for is audience. That is what a station always competes for. It does not compete for time or money or anything else. It competes with other stations for audience always.

By the Chairman:

Q. You would not have any great objection to the basic reason behind that recommendation, which was the desire on the part of the committee that the institution should become distinctively Canadian. That point was the principal basic reason behind that recommendation.—A. Well, Doctor, I think that is laudable; but I think there are some limits to that. I do not think that broadcasting in Canada is likely in the near future to be completely independent of the American chains; because as I have said, broadcasting is a matter of audience. The C.B.C. does an excellent job and many of the private stations do an excellent job with local originations. But if you take away from them the big network programs which keep people tuned in to them, they would not be able to do nearly as good a job. For instance, in Toronto, Montreal and Wind-

sor, and in a very large part of Canada, and that part the most thickly populated, the people can hear the United States stations without any great difficulty. If you take the important commercial programs off the Canadian stations and compel the people to listen to them only on American stations, you would deprive our stations of our audience and you would lessen the value of all the shows that were put on over those stations; because once you drive an audience away to another station, it stays where it is driven. I think that is the story. Nobody objects; certainly I do not object, to encouraging Canadian originations.

Q. I just wanted to ask you that. You do not object to it on the ground that motivated the committee to make that recommendation?—A. No sir. I do not even object to the recommendation. I am merely pointing out the recommendation raises a question.

Q. As to the practicability?—A. It asks a question "whether it is in the interests of the Canadian people that these outlets should be permitted." I am answering the question affirmatively. I am merely saying that I think it is in the interests of Canadian broadcasting and of the Canadian people that they should be permitted. Answering your question, Doctor, I should not like to leave with the committee the idea that the network affiliates broadcast nothing but what comes to them over that network, because that is not true at all. They are much in the position of the C.B.C. They select from the network. They broadcast a great deal of their own originations. For instance, let me take CKAC, the Columbia outlet in Montreal. Over a sample week, which was carefully checked, of March 22, CKAC broadcast 52·35 hours or 44 per cent of its time in live programs of local origination. It also broadcast in transcriptions of one kind or another 42·22 hours or 35·7 per cent of its total time. And it broadcast the remaining 19·9 per cent, or less than one-fifth of its total time, in network originations coming from Columbia. Now it is true that the figure there is a little less than it would be in Toronto; because CKAC, Montreal, serves both English and French Canadians, and the Columbia wire is entirely English. But now I will give you the figures for CFRB in Toronto: 34·6 of their total time is network origination; and it broadcasts 65·4 per cent of its time in local programs, live or transcribed; and 37·7 per cent of its total time on the air is devoted to live programs of local origination. These figures would indicate that at the most the affiliates broadcast about one-third of the total time on network programs; and that is not very different from the C.B.C.—I have the total figures of the C.B.C. commercial broadcasting for the week of March 14 to March 20, the week before the other one; and of the C.B.C. commercial originations, 43·7 per cent were their own and 56·37 per cent were of American origination. As there is not much danger of the C.B.C. becoming American dominated, so there is no danger of the private stations becoming dominated by American chains either; but there is the continued probability that both private stations and the C.B.C. will continue to broadcast these excellent commercial and sustaining programs.

By Mr. Coldwell:

Q. Why do you take two different weeks, why not the same?—A. I did not take two different weeks. I got my figures from the questionnaire that was sent out to the stations and I took one week for all the stations so I would have a standard. The C.B.C. figure I got later after I had prepared my argument and it so happened that the gentleman who gave it to me gave me a different week. I can assure you that there was no deliberate reason; there is no important difference between the weeks which we took, there is no difference between the two weeks which were taken because radio is not sold on a spot basis, it is sold on 13, 23 or 39-week series. That is all I have to say on the direct network affiliates—if there are any questions which I can answer—

Q. Have you finished talent?—A. No. I have a word or two to say about talent.

The CHAIRMAN: Go ahead with that now.

Mr. COLDWELL: We want to ask Mr. Sedgewick some questions.

The WITNESS: I want to answer them too, as best I can.

The CHAIRMAN: About this particular part that he has just completed, do you want to ask questions about that?

Mr. COLDWELL: There are several things about the first part particularly.

The CHAIRMAN: Do you not think it would be possible that he finish his presentation first?

Mr. COLDWELL: I think so.

The WITNESS: I won't be long. I am almost at an end now, and I have no doubt you are weary.

Some question has been raised from time to time as to what these stations are doing about talent and may I assure you, Mr. Chairman, and members of the committee, that at least on this occasion the officials of the C.A.B., and I, certainly made a serious attempt to get you some information. We have gone to considerable trouble. It was said by Mr. Coldwell I think, quite rightly, that the community stations should render a special service in the discovery and development of local talent; and last year Mr. Bannerman brought down quite a frightening heap of material—I suppose the mere sight of it discouraged the committee—and they did not bother with it very much. However, in preparing for this committee I had prepared and sent out to the member stations of the Canadian Association of Broadcasters a questionnaire—and I have a sufficient number of them here, Mr. Chairman—and if these copies could be handed around they might be of use to the members of the committee. I am not going to read it, though it is not very long; but I should like to direct your attention to question 17, which reads as follows:—

Over week commencing March 22, total time on the air divided:—

- (a) Live program of local origination.....hours
- (b) Network originations carried.....hours
- (c) Transcribed or recorded programs.....hours

Now, I got replies to this questionnaire from, I think, 42 stations. I have all the replies in my bag there, and I can only generalize; but I can say this to the committee—the committee can look at the questionnaires if they like—I can say this to the committee that speaking generally the replies I got as to the local live programs—that is the live programs of local origination—it varied from 20 to 40 per cent of the total programs; the balance of course being network and transcriptions. They vary of course generally as the size of the broadcasting centre varies. In Moose Jaw, Trail and Grand Prairie you do not find a great deal of live programs of local origination, but when you move to Vancouver, Winnipeg or Montreal you find very considerable.

And then, as to how much advertising there is on the air, question 16 was directed to that point and asks the stations:—

Over sample week commencing March 22, percentage of your time devoted to commercial programs (i.e., those containing paid-for advertising) as against time devoted to sustaining programs.

There also the answers vary greatly, but they do indicate that the maximum is about 50 per cent. No station seems able to get over about 50 per cent of its time sold commercially; and, of course, the other 50 per cent is sustaining; running down to as low as about 20 per cent for commercial and 80 per cent of time for the station itself to fill. I mention these figures because the C.B.C. provides by regulation that advertising is not to exceed 10 per cent on any

commercial program. And if I may translate the general figures: a station on the air sixteen hours a day, with half the time, eight hours, sold commercially, would have no more than 48 minutes of advertising proper in the whole sixteen hours of the broadcasting day; that is the maximum. I only point that out because the impression does go abroad that stations are overloaded with advertising. Of course, the habit of the business man is to listen in to the station when the commercial programs are on, and he gets the idea that there are no sustaining programs.

Q. Of course that is the time when most of the people listen in and that is the time when the advertiser wants to be on the air.—A. That is quite true, that is the time the stations can sell. Also there is this to be remembered, that your advertising programs, your commercials, are better programs—more costly, better devised, and certainly with much more money spent on them—some of the big programs cost \$20,000 odd for a program in talent alone. No organization in this country can afford a program of that kind.

By Mr. Boucher:

Q. Is it not a fact though that 10 per cent of any particular hour given to advertising becomes onerous?—A. It might be, and I think I may say that the better advertisers do not use anything like 10 per cent. Your own experience will verify that. I am hoping that some day in the not too distant future we will have much better advertising.

Q. Even at the expense or danger of losing a certain amount of the advertising, do you not think it would be a good thing to cut down that 10 per cent?—A. I would not like to set any arbitrary limit because you know it is very hard to say just what is advertising. Some program advertising is worked in so skilfully that it is hard to say where it begins and ends.

Mr. COLDWELL: Take Fibber McGee and Molly; you enjoy the advertising.

The WITNESS: I do sincerely, so I say that I would not like to see an arbitrary limit. In fact, it is not the length, it is the intelligence of the advertising. That is the key. If it is done intelligently and skilfully you do not object to it. If it is done bluntly and offensively you do, even though it is only 2 per cent; so the answer is not mere length.

In presenting his report on the programs of the C.B.C. Dr. Thomson usefully divided them. He spoke of news, news commentaries, public information and so forth. I should like to deal with the programs of the private stations very briefly but under some of the same general heads. However, I am faced with a difficulty that did not face Dr. Thomson. He was dealing with one organisation having one program department and putting out for the most part programs designed for distribution over a national network. I, on the other hand, must consider the unrelated efforts of some fifty odd stations and thus where he could cover the whole field I can merely pick samples from the mass of material at my disposal, and of course, I have a further difficulty. The C.B.C. broadcasting nationally affords big programs, both commercial and sustaining, because its program costs are properly divisible among the number of stations carrying each program. A station broadcasting over its own facilities only, and having nothing but advertising revenue, cannot in possibility spend anything like the amount of money per program that the C.B.C. spends, just as the C.B.C. cannot spend anything like what the big United States networks spend per program. This is true of even the largest of the private stations, and as one goes down the list and comes to those situated in the smaller places, while their efforts are commendable they are not impressive when compared with the network shows. Therefore, in presenting this part of my argument I shall make some general remarks under each of the heads, and illustrate them if I may with one or two outstanding examples.

Firstly there is news. I think every station in Canada, certainly every one of importance, subscribes to a news service. The larger ones subscribe to both available services, that is, they subscribe to Press News and to British United Press. This is not an inconsiderable item. In the case of first-rank stations their news wire alone will cost them about \$300 a week. It is a considerable amount of money when you talk about what is spent, and facilities. Of course, it drops down with the small stations to where they get a news wire about \$30 a week. In addition many stations have their own news gathering facilities for local news. Indeed, the larger stations operate a news room along the lines of that of a daily paper. As to the use of news, stations of the C.B.C. network use it in addition to the national news summaries, putting out their own news bulletins. Stations that are not on the network, and there are many of them, build their own news services from their press wires and their own news facilities much as the C.B.C. builds its national service. The bigger stations certainly supply what I think we may say is a comparable service to that put out by the C.B.C. They do not take C.B.C. news. They subscribe to their own wire services and they have their own news gathering facilities and make up their own news broadcasts. Of course, this business of compiling and broadcasting a news service is extremely valuable training for local talent and without any question at all news is the most popular single program on the air to-day, taken over all. It is the one thing that people will tune into when they will not tune into anything else.

As to news commentators, Dr. Thomson referred to the extraordinarily difficult task that faces those who undertake to summarize and analyze the news, and he quite properly pointed out how important these news commentators are in the radio field to-day. I think I may say that many of the best commentators in Canadian radio started on the private stations. Many of them are still on those stations and they are household words within the service area of their station. Here are a few examples: Dr. Stewart with his program "Dr. Stewart Reviews The News" was originally on CHNS, Halifax. There is Leonard Bereuson, of the University of Alberta on CJCA, Edmonton; Elmore Philpott, who is an nationally known commentator, started on CKWX, Vancouver, and is still on that station, although he is also on the C.B.C. western network. There is the late Louis Francoeur, who was an internationally known news commentator and had a tremendous following in the province of Quebec. He also started on a private station. There is John Collingwood Reade, who is and has been for many years on CFRB, Toronto, and has a tremendous following. There is Dr. Salmon of McMaster University, on CKOC, Hamilton; Val Claire on CKLW, Windsor; Robertson Davies of CHEX, Peterborough; Jean Louis Gagnon, now on the C.B.C., who was originally on CHVC, Quebec. And I believe that Gerry Wilmott, the chief C.B.C. commentator in England, went to the C.B.C. from CJOR, Vancouver. I have half a dozen other names here but I mention those as samples of what the private stations have done in that particular field, in training news commentators many of whom have later gone on to a larger field of endeavour.

Dr. Thomson also spoke about public information and gave a list of the important figures who had broadcast over the C.B.C. network. Of course, individual stations, cannot do that. They cannot invite Mr. Churchill or Madame Chiang Kai-Chek to come to their station to make a broadcast but I do think it may fairly be said that in that field private stations have done remarkably well. Every station in Canada carries and has carried for years broadcasts from practically all of the local service clubs. Every important dignitary, international, national or local, is heard over the facilities of the local stations. Some stations have instituted programs specially designed to inform their people. I am going to give one example, and I never heard the

program. There was a program, "Your Government Speaks" on CJRM, Regina, a program on which each week they had some member of the provincial cabinet take half an hour to tell the people just what the government was doing and attempting. The station put that on as a sustaining effort. It supplied copies of the broadcast to people who wrote in, and I understand they sent out some 15,000 copies to their mailing list. I should also mention—and this is something of a feather in the cap of private radio—that annually Variety, the Bible of the show business, awards a shield to radio stations and theatres for outstanding public work. Last year the Variety award for Canada for outstanding wartime service was awarded to a quite small private station, CKOC, Hamilton. In making the award the officials of Variety said that American stations could well afford to copy their methods of handling war finance campaigns.

I do not know whether I should continue; I have a fair list of all the various programs put on by different stations under the heading of education. There is one program I really think I should mention and that is the series of programs put on by Major Borrett the Director of CHNS, Halifax. I had a book sent to me as a Christmas present and I read it with a great deal of interest, "Tales Told Under The Old Town Clock". It is a collection of talks delivered over CHNS about the history of Halifax early and late. It is a most interesting and excellent example of the kind of community service that stations have done in the past and strive to do to-day. I have, as I say, forty-two returns from different stations, some of them very splendid things, listing scores of programs of more than local interest, some of them programs that have been adopted nationally. In fact, most of the big programs that are on the national network started on the private stations, (almost all of them) but, as I say, I am in this difficulty—that I have to try and deal with fifty odd stations and pick plums here and there. I do not know what more I can say that would be useful. I really would prefer it if someone would ask me questions, if someone would tell me what it is we should have done and have not done. I should like to deal with those questions.

By Mr. Coldwell:

Q. Could you suggest, generally speaking, what percentage of the time has been allotted to purely educational programs?—A. No, sir, I could not work it out in percentages. I might for the occasional station if I went through the returns, but certainly I could not give you the average over the 50 stations, and it would be misleading anyway because the percentage one week might be as high as 15 per cent and maybe half of one per cent the following week. It would be very difficult to get that kind of an average.

Q. I notice you have a question here, No. 22:—

22. Particulars of any educational programs originated by the station, such as health talks, music appreciation talks, etc.

I wondered if your replies had been developed and if you had the percentage figure.—A. No, they have not been developed.

Q. Even that would not help us very much because the time would have to be considered too.—It would be a tremendous task, sir, and any week I selected would give a misleading picture. It might be very good on one station and bad on another. I have a return from CJRC. In answering that question they speak of the Manitoba farm program, of which they are very proud, and the "College to Community" program, a series presented by the United Colleges, branch of the University of Manitoba. They have the Manitoba Horticultural Society series, and each station reporting listed a number of similar programs. I do not think it would be fair to weary the committee by just reading out the titles of these programs, because they would not have any meaning to you unless you lived in the locality. I should say some of the

stations, sir, spent a great deal of time and money on this. One of the larger Ontario stations last year sent out a touring unit called the Ontario Caravan. This unit was sent throughout Ontario with an orchestra consisting of fifteen pieces and a trained master of ceremonies. They auditioned talent in each town throughout Ontario and put the best of them on the air. I think they auditioned over 600 people. That was purely a sustaining program, there was no remuneration from it. I think the whole effort cost them in excess of \$11,000, which is a considerable item of expenditure for one—

By the Chairman:

Q. That would not be the alkaseltzer program?—A. No, it was a sustaining program, paid for by the station, it has no advertising whatsoever connected with it, none at all. CKCK Regina's Stars of To-morrow is also an attempt to find talent. I have a list of a dozen or more sincere attempts on the part of stations to find talent, sincere and expensive attempts to find talent. Of course, talent is very difficult to get, particularly hard to find it. If you do find any talent it had better be under 16 or over 65 or you cannot keep it because talent comes under the compulsory labour transfer order and all the stations have lost great numbers of their musicians and so on to the army and to other fields, and we are scraping the bottom of the talent barrel. All I can say is the stations have always done their best to find it and they will do their best again as soon as the period is more propitious.

By Mr. Isnor:

Q. You say there is no advertising value in a program such as that?—A. No, sir, I did not mean that; I think it has great advertising value; I did say it was not paid for by any advertiser; it is a public relations effort on the part of the station.

Q. Except that you are paying for the talent out of your revenue; in other words, you are not paying it to the government as excess profits.—A. Well, we cannot be right both ways. We should not be criticized for not hiring talent and then be told we should not hire them because otherwise the money would go to the government. We must, I think, make our first concern the radio business. Now, sir, I had a lot more to say but I would prefer to answer questions because I see my time is limited.

By Mr. Coldwell:

Q. May I say this: last year and again this year we have heard mentioned Mr. Priestley's ideas regarding the B.B.C. I wonder if you happen to be familiar with a speech that was delivered by Dr. James R. Angell, public service counsellor, National Broadcasting Company, before the National Association of Broadcasters' convention at Chicago in April of this year.—A. I read it, sir. I listened to it and I have read it. It was delivered to the National Association of Broadcasters, which corresponds to the association that I represent, and they took the trouble to have it printed and sent out to all of the broadcasting stations because it is so sensible an article.

Q. It does meet many of the points that have been raised to-day and in other discussions. Mr. Priestley's statement was printed in our records last year and I think this should be printed because it is the opposite side of the picture of the very thing we have been discussing this afternoon as to the usefulness of these American outlets in Canada and who controls the programs.

(Agreed.) (Mr. Coldwell quoted extracts.) (See Appendix No. 1—Dr. Angell's address.)

That is pretty strong stuff.—A. Of course it is.

Q. From a public relations officer.—A. I think it is a lovely thing and a healthy thing that private broadcasters should engage Dr. Angell, because, I understand, he is paid his salary by the very people he is castigating.

When the private broadcasters pay a man a salary to do a job like that I think it is a healthy sign. That speech was made to a meeting of private broadcasters, and it is a healthy sign that the private commercial broadcasters should want to hear Dr. Angel, should pay him to say these things to them, and should encourage him to make the kind of study of broadcasting that he is making. I say I hope broadcasting will improve. I should not like this committee to think I am completely satisfied with it. But I do not think it will improve by increasing regulations; it will improve by an increasing study of the kind that Dr. Angel is giving to the problem, and which private broadcasters are encouraging. That report was put out by the same people who published Mr. Priestley's article.

Mr. ISNOR: With regard to Dr. Angel's talk, you could change the word "broadcast" into "newspaper"?

The WITNESS: Quite right, sir. None of us is quite perfect.

By Mr. Coldwell:

Q. I think we should put this with our record. It is a very interesting criticism of private broadcasting. Now, I am not opposed to private broadcasting. I believe, as I said this morning, that the community station performs a real function, but I do not want to see the broadcasting of this country more or less dominated by private interests and by advertisers and, consequently, I think that the C.B.C. set-up as we have it is functioning pretty well.—A. So do I, sir.

Q. I think it is a form that should be encouraged by this country where we have the community station and the C.B.C., the dominant factor in the broadcasting field; and while I am on the opposition side in the House of Commons I do not fear government domination and government propaganda, for I think it is better to have, as a matter of fact, the broadcasting corporation answerable to a parliamentary committee and, therefore, under the review of a committee representing all opinions of the House of Commons, than it is to have broadcasting under the control of a commercial organization?—A. Of course, there is this danger—and I do not say this critically—I think the board of governors are a little disposed to take what your committee may say as a set of rules for their guidance, when you may not always intend them as such.

Q. I think we intend them as such.—A. Then, do you think you should? They have been appointed to run radio and you should give them reasonable liberty of action.

Q. No. I do not think we should lay down details of policy; I think we should lay down very general principles. That is what we have tried to do in the years that we have been here.

The CHAIRMAN: General principles and suggestions, not rules in any sense of the term.

Mr. COLDWELL: Yes, that is right.

The WITNESS: The Act lays down the broad scheme.

Mr. ISNOR: Of course, our views are different. I am a firm believer that we must have free enterprise; Mr. Coldwell might think otherwise. I think we must have competition to get the best results. I believe that we are now working along sane lines. The C.B.C. is doing a splendid job, and also the private broadcasting stations are doing a good job, and the two should give us a good service.

The CHAIRMAN: I do not believe that private broadcasting has suffered as a result of the recommendations of any parliamentary committee, and I do believe it has been stimulated to better efforts.

The WITNESS: I hope so, sir.

Mr. COLDWELL: You had better try to stimulate them further.

By Mr. Hansell:

Q. My impression this morning in the early part of the evidence—while I have not read it, of course, and have not been able to digest it—was that Mr. Sedgwick expressed some fear lest the time may come when all broadcasting should be taken over by a government-owned corporation. If I am right in assuming that, may I ask what is the basis of that fear?—A. Well, sir, the basis of the fear is to be found, as I said in my opening remarks, in criticism of big outlets. It is true, and it has been said repeatedly, that the small community station serves a useful purpose; but, of course, if you say that it must remain very small, and that private radio cannot have outlets in cities like Montreal, Vancouver, Winnipeg and Toronto then private radio is going to become so small as to be insignificant. It would not be able to do anything on its own account; it would be almost a repeat station of the C.B.C. My whole submission is, that while I agree that private radio does not always in all places compete with the C.B.C., and while I certainly do not want it to become so powerful as to oust the C.B.C. or anything of that kind, I think it should be allowed elbow room in those centres where it can and does compete, and I think it should be allowed to remain and to prosper.

With regard to such things as increased power, I do not think it is wise that only the C.B.C. stations should have high power and wide coverage. I think the programs on the private stations are equally worthy of wide coverage, and I say that it will be to the benefit of the private systems and the people generally if we have that. I do not think it should be unduly restricted by regulation. I believe that in the long run every business works best with a minimum of regulation. I often think of Mr. Burke's maxim about good government: "Few laws and light taxes." I hope that is not a bad definition.

The CHAIRMAN: It has not worked out.

The WITNESS: It has not worked out, but we may get back to it some day. I should like to see the stations allowed to remain and develop.

By Mr. Hansell:

Q. My next question is this: this question may be a bit philosophical. I am trying to get the harmony of two different statements in the report given some days ago, July 2nd, at pages 124 and 125. I shall only read a part of the record:—

The real relationship between the Canadian Broadcasting Corporation and the private stations is not what is very frequently alleged, namely, a relationship between competitors. There is no competition between the Canadian Broadcasting Corporation and the private stations. There is co-operation.

Now, in this little pamphlet written by yourself and printed in one of Canada's leading weeklies, the *Saturday Night*, you conclude with these remarks:—

But here in Canada we have devised a system that may well serve as a model for the world. On the one hand, a government controlled system, or should one say a publicly owned system, not mainly dependent on commercial revenue and therefore able to do more cultural but commercially unprofitable programs, and on the other hand, competing with it but in no sense displacing it, a purely commercial system, responsive completely to the public taste.

A. Yes. If I may briefly comment, with great respect to Dr. Thomson. I think the two systems do compete, they do not always compete, and I hope they always co-operate, because there can be co-operation between competitors; but they compete for the essential thing, audiences. Of course, C.B.C. does

not compete with the station at Trail or the station at Kelowna, but the C.B.C. station in Montreal does compete with the private station there, and it does compete in Toronto and in those other centres where there is a C.B.C. and an independent station. They compete for the advertising and for the audience. If the C.B.C. station in Montreal has a certain type of program the independent station such as CKAC must try to put on as good a program if it is to get as good an audience rating, because its ability to get advertising is dependent upon its audience rating. There is competition in that sense. I would not like to think that it is vicious competition, but there is competition. There are many places where there is not a competitive situation. You could not possibly have one in a small place, any more than you could have a competitive newspaper situation in a small place; but in the larger places there is true competition between the important stations and the C.B.C., and that competition is, I believe, in the public interest. Does that answer your question?

Q. I think so. It helps to bring the two statements together a little bit more.

By Mr. Tripp:

Q. You might say you have co-operation in setting the rates and competition in programs?—A. We do not compete about rates. Every station decides its own rate initially. But the rate of a radio station, like the rate of a newspaper, is finally what the advertisers will pay. So your decision as to what you will charge may be meaningless. It is ultimately what the advertiser will pay.

By Mr. Hansell:

Q. In the matter of regulations made by the C.B.C. in relation to private broadcasting, on page 125 of the evidence submitted some days ago we find this:—

The Canadian Association of Broadcasters very frequently make representations to the Board of Governors when they have any matter that they consider to be of common interest to the members of their own association. The door of the Board of Governors is always kept open for them. As a matter of practice, they do very frequently appear at the meetings of the board. They make their representations. They are heard, and in the light of all the facts, the Board of Governors determines.

Then further down it goes on:

It is a practical arrangement whereby the Association of Broadcasters can, and actually does from time to time, make representations to the Board of Governors.

Would you say that was a satisfactory arrangement in respect to the regulation?—A. Well, I can say this, sir. The statement is quite true. I think I have appeared at almost every meeting of the Board of Governors for some years past, and I have been received with courtesy. Of course, the board does not always do what we ask them to do. But that does not mean to say that they are wrong. They may at times be right. If you ask me whether it is a completely satisfactory arrangement, Mr. Hansell, I think I should say this. It seems on its face to be a somewhat illogical arrangement; like so many Anglo-Saxon schemes, there does not seem to be much logic in it. Here is a corporation which is competing with us seriously in many cities, and yet it at the same time makes regulations which govern us. I must say that at times those regulations are inconvenient to some of our stations, and some of our stations have expressed the view that it might be better if there were some neutral body that made the regulations for the C.B.C. and for ourselves. I am not empowered to put that forward because I cannot say that it is the view of the association that I represent. It has not been considered by the association as a whole. I do know that some of the members are of that opinion, though. I can say, however,

that the present system can be made to work. On its face it seems illogical, but I think it can be made to work. The governors are conscientious people and I think they do try to understand our position, and notwithstanding our demands and their occasional resistance, we get along fairly well.

By Mr. Boucher:

Q. Do you think the interests of the people might be better served by the C.B.C. making more use of the private radio stations by giving them more of their programs?—A. Well, I think they do give the stations as much of the programs as they want. I may be wrong about that. Certainly the affiliates, the ones that are on the network, get all the programs; and of course the C.B.C. is in the position that it does not want complete duplication where it has its own station blanketing the area on a certain program. If there are local stations, they want them to originate programs of their own. I think there may be some places—I think Kenora was mentioned—where there is an unfair situation. I have not been in Kenora for years and I know nothing about it. I think, in the main, that the stations are fairly well used so far as program feed is concerned. There will always be isolated complaints, of course, in any industry.

By Mr. Hansell:

Q. I think Mr. Chairman it is only fair to say that while I have read something from the evidence, it is an acknowledgment—and of course it was acknowledged in the evidence—that in the final analysis the Canadian Broadcasting Corporation had to report to parliament, and they were under the scrutiny of a parliamentary committee every year or we hope it will be every year.—A. Mr. Chairman, if there are no more questions, before we close I should like to say one thing.

By Mr. Coldwell:

Q. I should like to ask you one question, Mr. Sedgwick.—A. Yes?

Q. How do you think frequency modulation, when it is developed, will affect the kind of representation you made to-day? Do you not think it will help to solve a good many of the problems that confront radio?—A. It depends, Mr. Coldwell, so much on the technical development. It has been said that frequency modulation is horizon bounded. It is not necessarily so. Of course, once frequency modulation uses the standard broadcast band, it is not horizon bounded at all. I do not know what the technical developments of the situation have been.

Q. I understand there have been many technical developments there during the war?—A. Yes, I understand there have been. I think it was Professor Bailey that told me this, that he was able to hear, quite clearly, frequency modulation broadcasts from Mount Washington when he was in the city of New York, 130 miles away. If frequency modulation can get coverage of that range it certainly cannot be classed as horizon bound. I do not know what future technical developments may bring. We may have one central station at a given point with other stations around the perimeter. I do not know, nobody knows, what the future will be for frequency modulation; but I can recall very well the developments that took place in the motion picture industry, in that industry when they got into sound pictures the theatre which did not put in sound equipment very soon found itself out of business. The same thing may develop in connection with radio stations; it may not be very long before the standard band broadcasting stations will be out of business entirely.

Pardon me, Mr. Chairman, I almost forgot my final submission. I was instructed by my principals, the Canadian Association of Broadcasters, to make these representations to you; I want to leave them with you, because it is only fair that you should know just where we stand and what we ask of you. There are three points only:—

1. That existing licensees of independent stations be assured of the continuance of their licenses so long as they operate with due regard to public interest, convenience, and necessity.
2. That the independent stations be encouraged to improve their facilities and that they be permitted to increase their power and to arrange for multiple station hookups, and generally to do anything that makes for better broadcasting in the public interest.
3. That the independent stations should have the opportunity of participating in the development and use of all new phases of broadcasting as such development becomes feasible.

Q. Of course, the first one you ask is a very broad request, is something that this committee cannot recommend to parliament; that is, the granting of a vested right.—A. It is not a vested right.

Q. That is what it amounts to?—A. No, sir. I know you have made a considerable study of broadcasting and you will no doubt recall that that is a direct quotation from the terms on which United States licenses are granted; that is that we will be assured continuity, and will be assured that we will not be disturbed so long as we operate "with due regard to public interest, convenience, and necessity." I do not think a license should be cancelled capriciously.

Mr. COLDWELL: I quite agree with you there.

By Mr. Isnor:

Q. The second one seems to me to be very far-reaching.—A. It may be, sir; I am not asking for any change in the Act, I am only asking that it be interpreted a different way; that is, it is a request that we should participate—I think it is in the public interest that private stations should be encouraged to develop and to participate in the changes in broadcasting, because standard band broadcasting is the beginning and not the end of broadcasting.

The CHAIRMAN: I think that will end Mr. Sedgwick.

The WITNESS: Thank you.

The CHAIRMAN: Just a moment; we have here a brief submitted by Mr. J. A. Bradette. It has to do with the privately owned station, CKGB, at Timmins. I suggest to you that we publish Mr. Bradette's brief in the proceedings. Is that satisfactory to the committee?

(Carried.) (See Appendix No. 2)

Mr. COLDWELL: You are going to publish that speech of Dr. Angell, too, in the proceedings?

The CHAIRMAN: Is it your wish that the whole speech go into the record?

Mr. COLDWELL: Yes, it is not very long.

The CHAIRMAN: Is the committee satisfied with that?

(Carried.) (See Appendix No. 1)

The CHAIRMAN: I think this will probably constitute the last public sitting of the committee. I suggest to the committee that we meet again to-morrow, if possible, to consider the matter of appointing a smaller committee who will draft a report.

Mr. ISNOR: We have a small committee now.

The CHAIRMAN: That is the agenda committee. I make this suggestion that we meet to-morrow at 11.30 for the purpose of general study and review of the evidence which has been submitted. That being the case I now adjourn the meeting to meet again to-morrow morning at 11.30 o'clock and the meeting then be in private.

The committee adjourned at 6.25 p.m. to meet again at 11.30 o'clock a.m., Wednesday, July 14, 1943.

APPENDIX No. 1

PROGRAMMING IN THE PUBLIC INTEREST BY DR. JAMES R. ANGELL, PUBLIC SERVICE COUNSELLOR, NATIONAL BROADCASTING COMPANY BEFORE NAB CONVENTION, CHICAGO, APRIL 28, 1943.

I trust that I am telling no tales out of school if I say that I was a bit surprised and somewhat taken aback when your president, in inviting me to take part in these exercises said, if I understood him correctly, that it was thought the Association ought to give some attention to programs, having at its previous meetings been chiefly concerned with quite other matters. Goodness knows there are plenty of subjects for the industry to worry about, but, as programs taken in the broad sense are in fact the end product of the broadcasting enterprise and from the public point of view its sole justification, it did seem a bit weird that this organization now in its twentieth year should have only just gotten around to a discussion of the problem—if such indeed be really the case. And hardly less weird is it to pitch upon one with so limited an experience as myself to participate in the discussion. However, everybody whether inside or outside of the industry seems to have views to express about radio, so why hide my light under a bushel?

Nevertheless, I ought to make public confession of my special incompetency to speak in this presence, for not only have I mainly had contact with a single sub-division of the sustaining program section of broadcasting, being practically virginal so far as concerns commercial programs and the activities of the sales department, but I am also a hopeless Victorian. The great Queen and yours truly were both born in the month of May, although the lady in question picked on a slightly earlier year to begin the management of her Empire than did I in getting ready for radio; but my prejudices are presumably quite old-fashioned. Furthermore, I got a poor running start for the broadcasting industry by reason of a strange and uncouth training—26 years as a laboratory scientist and nearly 20 years as an administrator of two large foundations and then of a great university. What could be more fatuous for a broadcaster? This history obviously qualifies me for the derogatory title of “high-brow or dodo” and justifies every horny-handed son of toil in the broadcasting vineyard in looking down upon me with more than cold suspicion and appropriate contempt.

Let me say that I speak for only myself and, while I am an employee of the National Broadcasting Company, I do not in this matter officially represent the management. Indeed, after my statements come to their ears, I may well be out of a job.

Radio programs vary so widely that sweeping indictment or indiscriminating praise are alike impossible and irrelevant. One can easily pick programs which for cheap tawdry display overlook nothing, others whose unspeakable dullness passes credibility. But, on the other hand, we can point to star-studded programs or brilliant music and drama, to others of unforgettable poignancy of appeal, whether in prose or in verse, and to still others in which important information is simply and convincingly presented and analyzed. One may lament the alleged morbidity and depravity of the day-time serials, vulgarly known as “soap operas”, or one may hail them as the heaven-sent consolation of the lonely housewife, who without them would be reduced to reading the funnies and the pulps—a procedure difficult to accomplish while washing dishes or cooking. One can weep over the stale, age-old gags of some of the ostensibly humorous programs with their occasionally shady jokes, and one can also roll joyfully in

the aisles at the wit and humor of our genuine radio comedians. One can moan and shudder at the moronic ignorance of answers on audience participation programs, or one can purr with self-complacent satisfaction at oneself downing the quiz masters. One can ridicule the commercial plug as an insufferable pest, or one can glorify it as the corner-stone of a great industry. One can writhe under the syrupy tones of the announcer exhorting us as though we were feeble minded children, or one can be grateful to learn of a bargain. One can object vociferously to trailers and time break pronouncements, or one can defend them as the perfect flower of our American system of individual enterprise. One can protest the occasion salacious program as an offence to the American home and one can register the most profane objections to having the details of unpleasant bodily processes forced on one's attention while enjoying meals. And all this, despite the fact that, if one does not like what comes out of the loud-speaker, a fairly simple movement of the hand will relieve the discomfort. The sacred American right to kick is not going to be given up for any such simple reason as that.

However, I have no purpose to attempt to suggest any fundamental cure for the shortcomings of our programs, much less to undertake to prescribe devices for their betterment. Many of them are fine as they are. As I have indicated, I have no competency to do this, which should be the business of the expert program director. Moreover, I personally think that we have probably passed the time when any radically new techniques are to be looked for—certainly until we are given *carte blanche* to proceed with television, which is something else again. What I would like to do in the few moments of your time which I may be given is to set forth certain considerations to which I think the industry would do well to give more attention than it has in the past, both in its own interest and in that of the nation. Let me introduce the matter by recalling the background of our broadcasting enterprise.

As everyone knows, American broadcasting began in a very modest way and its founders assumed that its commercial value would be largely in the field of sales for receiving sets—a natural enough thought, for these men were manufacturers. And then, almost over-night the advertising genius of our people saw in the new device a previously undreamed of Eldorado whereby money could be coaxed to pour in for the sale of broadcasting time to manufacturers and tradesmen who had things to sell. The experiment was tried out and the results were so successful as to seem almost fantastic. Get enough receiving sets into people's hands and the sky was the limit for what you could sell. So our predecessors believed. From that time to this the snowball has continued to roll up and the great radio industry of the United States, hardly yet of age, is the result.

Now, as long as American broadcasting remains a competitive commercial business the broadcasters' first concern is going to be to make money, to make as much of it as possible and especially to make more than his competitor. Obviously, unless he makes enough to maintain his facilities and pay his employees he cannot stay in business.

Trailing along after this money motive will be the normal human desire to be well thought of by his contemporaries, to have good men in his employ and to conduct a business reasonably sensitive to the public interests and demands. This sensitivity may be occasioned by a true and disinterested concern for the public welfare, or it may be a manifestation of shrewd business acumen, reflecting the conviction that along such lines are to be found in the long run the surest financial rewards, or it may derive from a mixture of both motives.

It is from a somewhat cynical consideration of these circumstances that some persons indoctrinated with distrust of the profit motive, especially in radio, are led to speak so savagely of our broadcasting system and to compare

it so vigorously to its disadvantage with government owned and controlled broadcasting in other countries.

Critics of the system are also disposed to raise the question as to who really owns our broadcasting. The obvious answer would be the stockholders or the individual owners and, from the legal point of view, this is undoubtedly the correct answer. But when one gets behind the scenes and discovers what part is played by sponsors and by agencies who act as middle men between the sponsor and the broadcasting company, this answer may be regarded as not quite telling the whole story. If, by leasing the facilities of a broadcasting company for a given period of time, an agency or a sponsor can in fact largely determine what the public shall hear, the practical effect is much the same as though the sponsor and the agency actually owned these facilities. Naturally, the management of a company exercises final control over the program which goes on the air. Nevertheless, there is still a measure of truth in the old adage that he who pays the piper can call the tune. I allude to the matter here, not to raise a fictitious issue, but merely to call attention in passing to one phase of the whole problem which has instigated no small part of the more acrimonious attacks upon American radio, exceeded in intensity, perhaps, only by the concern of the federal Department of Justice and certain other government agencies to scotch what they allege to be monopolistic practices.

Because it has the power to transmit audible sounds with substantial fidelity, radio has found itself operating in the field of the church, the school, the theatre in all its forms, including the opera, the newspaper, and the telegraph—to mention only these—and in America, at least, is perhaps the most potent of all advertising media. No other single agency has ever been asked to entertain at one time such strange and ill-assorted bedfellows. But there they are, and their needs must be recognized and their demands in some measure met. These needs and demands stand, however, on very different levels, for advertising is the sacred cow upon whose successful nourishment all the rest of the broadcaster's activities depend, and whether or not he bends the knee to Baal, he must at least keep a weather eye cocked on the advertiser and his busy little friend the agency boy.

No one can think it strange therefore that, as compared with the ringing tones of the sponsor and the advertising agency, the voices of the church and the school, to mention only these two, are often going to sound rather distant and faint in the broadcaster's ears. Until the war broke out, the same thing might have been said of many approaches from government and philanthropic sources. Furthermore, as the sponsor must sell his wares to large numbers of buyers, he will naturally turn to those program forms which appeal most readily to the masses, whereupon he launches the industry upon the amusement business with a strong temptation to promote those types appealing to the lowest common denominator of taste, for at that point are to be found the masses aforementioned.

Now all this is a familiar story, which I should doubtless apologize for rehearsing, but the consequences which flow from it lie at the very foundations of the broadcasting industry and unless they be dealt with in a thoroughly public spirited and imaginative way, the industry itself and all whose interests are connected with it will inevitably suffer. Which brings me to the issues I wish particularly to stress.

American broadcasters unavoidably try to serve two masters and the scriptures tell us what ordinarily happens under such conditions. Whether we like it or not, radio is infected with a deep public interest. Indeed, it is *licensed* to operate in the public interest, convenience and necessity. It must also pay dividends to its stockholders. These two obligations are not necessarily incompatible, but when they do clash, it is not difficult to guess which is likely to prevail. Moreover, one can readily understand the ease with which the mere fact that a program secures listeners, no matter who they are nor why they listen,

can be interpreted by the broadcaster as demonstrating that it serves a public interest. Even some of our less inhibited laxative and B. O. programs have made such a claim, and possibly more justly than some sustaining programs could do.

Now there are many who deplore the fact that an industry in which truly enduring and basic public interests are involved, one potentially capable of doing so much to educate taste, to increase understanding, to deepen and strengthen the foundations of our national life, should so often yield to the itch for money and, in consequence, should so frequently indulge in puerile forms of entertainment appealing to the very low brackets of intelligence, on the assumption that only by programs of that kind can the goods be sold that chiefly support radio.

Be all that as it may, I have met a great many owners and managers of American broadcasting stations in my time and found them fine upstanding business men, but I have infrequently met any whose concern for the public service they were rendering could be mentioned in the same breath with their interest in making money. Not a few of them, stating frankly that they were not in the business for their health, have done as little as they could and get by. Although this is most unfair, cynical persons allege that this is universally true of the group and that they would sell any period for which they could get a buyer, if possible sell all the time they had and let the devil take the hindmost so far as concerns any mere public interest. On the other hand, there are those who have taken a thoroughly public-spirited view of their problem and deserve credit for it.

The war has done something to correct the merely selfish disposition, for despite some sneering at what radio has accomplished, I do not think that any informed person can question the value of the service it has rendered on the fighting front as well as at home, and certainly as an industry it has made an honest and serious effort, in which it can well take pride, to go all out for the winning of the war. It must now begin to study the lineaments of the post-war world shrouded as they are in uncertainty. Whether this present inclination to serve unselfishly a compelling public interest will carry over into peace time, when that longed-for epoch arrives, I don't know. But I am fully persuaded that if the American system is to continue permanently untroubled by government requirements in its programming, it must measure up to the responsibility of a broad, generous, imaginative ideal of its duty to *all parts* of our people. I say this because I think that fundamentally this is the kind of a business it is and that the public will not permanently tolerate its exploitation *exclusively* for personal or corporate gain, if it once gets the idea that this is what is going on. I make this observation not as a starry-eyed idealist, but as a very hard-boiled realist.

This policy will mean frankly and coridally accepting some programs aimed at groups known to be relatively small, but highly important. It will mean segregating a reasonable amount of *good* time for programs conceived on a truly high level of intelligence, art, wit and humour. Whether such programs are sponsored or not is of relatively minor consequence, providing the quality is sufficiently fine. It will mean putting first flight writers, artists and producers on the job of preparing such programs for the air, instead of the apprentices and the culls that now too often, in the sustaining field at least, get these unwelcome public service jobs. In other words, it will mean putting some real earning into this task and, unlike the money put into some of our finer musical productions whose listening audiences are not always too numerous, it will not be possible permanently to justify such programs as mere publicity stunts and write them off against promotion costs. It calls for an honest, skilful, well-informed job with the costs accepted like other permanent overhead costs of an industry that proposes to occupy the place of dignity and respect that it

deserves. Now this is a hard saying, but if radio is to retain its place in the ranks of free enterprise, I think it is true.

If the competitive character of the business makes it impossible to do this, then I predict trouble, outside interference and coercion. But I do not believe it to be impossible. The generation coming into power is going to demand the best that our ingenuity and brains can give, and whoever stands across the path in such matters is likely to be run over and hurt, if not destroyed. I respectfully call this fact to Mr. Petrillo's attention.

There are various ways in which such results can, I am sure, be secured without disruption of our present methods, but I am equally confident that we face a great opportunity to improve our conception of programming in a way to win much greater public confidence and support, and a way to put the industry in a position of proud and thoroughly deserved stability, which at present is perhaps not too secure. It is only fair to add that certain agencies and sponsors and a few broadcasters have already begun to move in this direction. One can only hope that their example will be widely and quickly followed.

In conclusion, let me say that I fully recognize the very different problems faced in this matter by the networks, the big regional stations and the little fellows running low-powered stations in lightly populated districts. The manner in which each can and does measure up to the obligations and opportunities I have imperfectly sketched will inevitably vary widely. All I am urging is that, as a matter of enlightened self-interest, if nothing more, broadcasters so conduct their business that no one can fairly accuse them of slighting, or snubbing, the public interest in their programming. The war has shown us what we CAN do, if we will. Let us fight it hard, fight it with all our might to win, and win as quickly as possible; and then, when the blessed peace comes, as sometime come it must, let the legend be written so clearly that all may read, that broadcasting is an example of free American enterprise which wholeheartedly accepts as paramount its obligation to the fundamental interests of the nation; and let it continue to prove that on those terms it can conduct a soundly profitable and completely self-respecting business.

Believe me, this is not romantic idealism. It is the hardest kind of common sense; it is the finest form of patriotism in the power of our industry.

APPENDIX No. 2

CKGB—TIMMINS, ONT.

Last December, while entertaining friends from the other side of the border, I had the opportunity of taking them through the new home of Radio Station CKGB in Timmins. While I, personally, was aware of the fact that CKGB was an exceptionally fine radio station, performing an outstanding community service, the facts were impressed upon me more strongly than ever before as I witnessed the sincere admiration and surprised delight of my American friends—first, as they stood outside and viewed the splendid architecture and imposing appearance of the Thomson Building—and later as we were courteously escorted throughout the many modern and completely equipped studios, offices, production rooms, control booths and what-have-you by a friendly announcer who seemed only too happy to be able to explain all the ins and outs of radio production methods. I quote this instance as a preface to my remarks because it made me realize that if these people, accustomed as they were to big city stations, could so keenly appreciate not only the beauty of its quarters but the high standards and quality of its programs and production methods, that the north had, in CKGB Timmins, a radio station second to none in the Dominion of Canada.

I have always enjoyed listening to CKGB, but since that day I have paid even closer attention to what has reached my ears via their microphones, and to-day I can give a score of reasons why I am in favour of the Timmins station. I am not going to attempt to delve into the very greatest detail, or quote instances—as I very well could—where CKGB has earned special recognition in the public eye. My story would take much too long to tell. What I do want to summarize here are the many highly commendable features which cannot fail to impress even the least interested listener.

First and foremost, in its capacity as a public service medium, CKGB has done, and is doing a job which I truly believe cannot be equalled by any other radio station anywhere. I can't give you figures, but I can give you facts. For as long as I have been listening to CKGB—and that dates back to the day this station first went on the air from its very modest 1933 premises—I have heard appeals made on behalf of every worthwhile and deserving cause which has been taken up by individuals, organizations and the government itself. The Red Cross, the Canadian National Institute for the Blind, the Victorian Order of Nurses, the I.O.D.E., to mention just a few, have always found a staunch and willing supporter in CKGB. Their tag days—their many activities resigned to raise funds with which to carry on their work of community service—the actual facts and figures connected with that work—have always been fully publicized by the radio station so that the public might at all times be fully aware of what is going on in their community and made to realize the need of co-operation in supporting these necessary endeavours. Since the outbreak of war, this public service work on the part of CKGB has been intensified a hundredfold. Every branch of the armed services—the Army, the Navy, the Air Force—every government campaign, every patriotic undertaking on the part of individuals or organizations, has been accorded remarkably fine treatment by the Timmins station. I am positive that if we could study the station's private records we would find that thousands and thousands of dollars have been contributed in gratis publicity to aid the war effort. And mind you, when I say that CKGB has supported these drives, I am SUPPORTED in every sense of the word. They have produced and presented programs and publicity designed to attract and please the ear of the most discriminating. Theirs has obviously been no half

hearted effort because they felt they were doing something that had no commercial value. Some of the finest productions presented over their station—productions which undoubtedly took hours of careful planning and hard work on the part of its listeners—that its staff has put special effort into the production campaigns—the recruiting drives for the Army and Air Force—the Canadian Aid to Russia Fund—the Santa Claus Fund—the Bomb Victims Fund and many others of the same nature. I know they received no reimbursement for these shows because announcement was made that the station was presenting the program as a public service feature. I know too that CKGB has gone out of its way to introduce novel angles which would command the greatest interest on the part of its listeners—that its staff has put special effort into the production of these shows in order that they might bring the results they so justly deserve. I recall during Army Week in 1942 when announcers talked themselves hoarse on special late evening broadcasts planned to raise a million cigarettes for the boys overseas (incidentally this quota was reached). I remember listening to charity broadcasts at Christmas time when commercial commitments were disregarded as the station refused to conclude its request show until a certain objective had been reached. I have vivid recollections of the station cutting sustaining network programs as announcers went back to work, for long hours of overtime, to aid in the search for missing aircraft, via the medium of their microphones. I have listened, from the comfort of my armchair at home, to vivid verbal descriptions of worthwhile spectacles that some of us could not attend—such as the thrilling manoeuvres staged by a mechanized Army unit visiting the north, and the inspiring ceremonials in connection with the opening of the Victory Loan campaigns. And I have talked with many leading citizens who gladly give credit to the willing co-operation of CKGB for the highly successful results of their various undertakings. I could go on and on indefinitely speaking of instances where I myself have heard the public service spirit of CKGB expressed in no uncertain form—instances such as the interruption of an elaborately prepared program to broadcast an appeal for a lost child who has been restored to its home a few minutes later—but there are too many other things I want to touch upon while I have the opportunity of paying tribute to our Timmins station.

I cannot leave this particular phase of CKGB's activities without touching upon the magnificent co-operation that has been accorded all recognized religious groups. No fair-minded listener can say that CKGB has ever showed partiality to any one denomination. Protestants, Roman Catholics and Hebrews have all shared and shared alike the privileges of spreading their messages through the medium of this northern station. Every morning of the week, for as long as I can remember, CKGB has given a quarter hour of its time to the various churches of the city so that listeners of all faiths might have the pleasure and privilege of hearing their favourite pastors and starting the day by worshipping in accordance with the teachings of their respective churches. On almost every occasion when a well known clergyman has visited the city, regardless of his denomination, the people of Timmins and district have been privileged to hear him speak via the facilities of CKGB. Here again is another outstanding example of CKGB's community spirit—of its apparent eagerness to serve each and every listener and to guard against favoritism. These morning devotions, as they are so called, bring no revenue to the radio station. The quarter hour period on six days of the week for 52 weeks of the year is entirely a contribution on the part of Northern Broadcasting. I might add here that on Sundays, CKGB broadcasts several different religious programs and church services, adding very greatly to the enjoyment and appreciation of those, who, for various reasons, might not be able to personally attend a church service.

There is another very fine and praiseworthy contribution which CKGB makes to community enterprise. I refer to the use of its studios and facilities

by various community organizations such as the Film Society, the Schubert Choral Society, the Porcupine Music Teachers Association and others of this type. These groups are permitted to meet, practice and carry on their respective activities in CKGB's spacious studios without any obligation, whatsoever, on their part. I happened to be speaking to a member of one of these organizations a short time ago and during the course of conversation he mentioned how grand it was to have a modern, well equipped and pleasant place like CKGB in which to hold their meetings and rehearsals. This particular individual is connected with the Schubert Choral Society whose concerts and operatic presentations are top ranking in popularity in Timmins and vicinity. I also learned that the Federation of French Canadian Women, busily engaged in producing garments for the boys overseas, were permitted to hold their knitting sessions in one of the CKGB studios... that the High School band and choral groups enjoyed the facilities of CKGB during practice and rehearsal periods... that dramatic groups were formed and coached by members of the station's production staff... in fact I could go on to mention innumerable instances where CKGB exemplified its true community spirit by opening its doors to worthwhile endeavour of every kind.

Speaking purely from the viewpoint of entertainment and listening enjoyment, I have no hesitation in offering sincere praise for the progress CKGB has made during the 10 years of its existence. I can remember how curtailed its broadcasting schedule was in those early days—how programs and production plainly were of the amateur brand. But each passing year brought marked improvement and development so that to-day CKGB can proudly compete with any station in the Dominion. From 7.30 in the morning until midnight, CKGB maintains a continuous, well balanced program schedule that runs the gamut of the listeners' fancies. I have not listened to this station for as long as I have without realizing that the men behind production at CKGB are honestly and conscientiously striving to give the best there is to give for seven days of every week in the year. In one day, my radio, tuned to CKGB, has given me everything from Metropolitan Opera to the hottest swing session imaginable... from the informal, nonsensical variety show, designed for a dozen laughs a minute, to deep, gripping drama. I have been kept up to the minute on the news... treated to a vivid word picture of two of the country's finest hockey teams in action... and entertained at a lively barn dance party. I'll admit quite frankly that I didn't enjoy everything I heard, but in one family you'll find a great many varying tastes and I know there wasn't one thing that went over the air that particular day which didn't strike a responsive chord in some member of the household.

I know that CKGB is forever answering phone calls and letters from persons who object to certain programs or certain forms of advertising. To me, it seems a great pity that these people can't be made to realize that CKGB is aiming to please not a few hundred, but somewhere in the neighbourhood of 61,000 listeners who look to this station to provide them with entertainment, news, drama, education, culture, etc., who cannot get it during daytime from Ottawa. It is a simple matter to dip down your dial for a program you don't like... remembering that someone else is enjoying it and that you're receiving your fair share of the things you prefer and which, incidentally, are probably displeasing to the ear of many others, although I have protested myself on several occasions.

I would like right here to say a special word in relation to news broadcasts. To get the news in its true form, uncoloured by dramatization or prejudice, is a service for which CKGB listeners can be mighty thankful. This statement holds true in peacetime—but a hundred times more so in wartime. Since the outbreak of this Second World War, thousands of people have depended upon CKGB to provide them with the true, authentic facts of developments

in all parts of the world. No editorial comment, no personal views have been allowed to alter the facts as they are. No desire for sensationalism or dramatic effect has been permitted to distort the news and consequently spread false impressions. Six or seven times a day CKGB's announcers bring to listeners up-to-the-minute news from all parts of the world as gathered by reliable news agencies, presenting it in a clear, comprehensible form which is easily understandable to all. In times of crisis, CKGB has provided outstanding service with special bulletins and newscasts containing the very latest happenings. To follow the news as supplied by CKGB is to follow the world events as they actually are and to know that the source from which it comes is one hundred per cent reliable.

I could, if time permitted, go into a prolonged discussion on the many merits of this northern station. I could devote time and description to the many commendable features this station has sponsored, such as a reading contest for high school students with donations of cash prizes; music appreciation programs conducted by members of the Porcupine Music Teachers' Association and their students; pronunciation forums wherein listeners are allowed to bring mispronounced words to the attention of announcers and, incidentally, receive cash awards for their effort; interesting and timely talks by local women on topics pertaining to the home, wartime activities, culture, education, horticulture; choral presentations by public school pupils; the reading of letters from boys overseas; the production of recordings containing messages from parents and friends to be sent overseas for rebroadcast, and dozens of other services of like nature. Each is a story in itself, a story that could be told by any listener who follows CKGB's program schedule from day to day.

Local Talents

I would like to emphasize one point and that is, that anyone who listens to this station regularly cannot fail to recognize the splendid public spirit that is behind its operation. While statistics remain unknown to the public, facts speak for themselves, and never a day passes without CKGB demonstrating, in some way or other, its very sincere desire to promote and foster worthwhile community endeavor of every kind and to contribute in full measure to community life. I am sure I speak the truth when I say that no worthy cause, no justifiable request, has ever been refused by CKGB, but rather that this radio station has been the first to extend a helping hand and arouse public feeling in the direction where it will do the most good.

In a community where outside reception is practically nil in the daytime, CKGB provides a community service which cannot be too highly rated. It has steadily risen to a position where it commands respect, so that to-day, in almost 16,000 homes in Timmins and the territory reached by its signal, CKGB stands for the finest in entertainment, educational and cultural advancement for every member of every family, from the youngest to the eldest.

In terminating I must state that I would like to see the Timmins radio station strong enough to cover the Moose Factory, Kapuskasing and Hearst sections which, under present conditions, do not receive sufficient coverage; which statements are all humbly submitted to your committee.

JOSEPH A. BRADETTE.

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SESSION 1943
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS

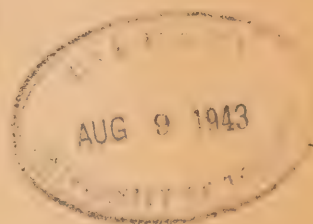
No. 9

WEDNESDAY, JULY 14, 1943

WEDNESDAY, JULY 21, 1943

INCLUDING

1. Second and Final Report.
2. Appendices to evidence.
3. Documents tabled and distributed to the members of the Committee.



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943

ERRATA

Appendix No. 1, page 56—

Omitted.—Dr. René Morin was reappointed to the Board of Governors on November 2, 1942, and his appointment expires on November 2, 1945.

Page 60, paragraph 4, line 3—

“\$1,728,880” should read “1,728,880”.

Page 60, paragraph 4, line 16—

“wireless” should read “wire lines”.

Page 216, paragraph 3, lines 5 and 9—

“single” should read “signal”.

MINUTES OF PROCEEDINGS

WEDNESDAY, July 14, 1943.

The Special Committee on Radio Broadcasting met in camera at 11.30 o'clock. The Chairman, Mr. J. J. McCann, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Prescott*), Boucher, Coldwell, Douglas (*Queens*), Hansell, Isnor, LaFlèche, Laflamme, Matthews, McCann, Rennie, Ross (*St. Paul's*), Telford and Tripp—15.

As agreed at the last meeting, the Committee proceeded to review the evidence.

After discussion, the Chairman invited the members to forward to him any suggestions or recommendations which they would like discussed and incorporated in the Committee's report to the House.

It was agreed that Messrs. Bertrand (*Prescott*), Coldwell, Hansell, Isnor, Mrs. Casselman and Mr. Ross act with the Chairman with a view to drafting the report.

At 1.00 o'clock the Committee adjourned to meet again at the call of the Chair.

WEDNESDAY, July 21, 1943.

The Special Committee on Radio Broadcasting met at 3.30 o'clock. Mr. James J. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Boucher, Douglas (*Queens*), Durocher, Hansell, Hanson (*Skeena*), Isnor, LaFlèche, Matthews, McCann, Rennie, Ross (*St. Paul's*) and Telford—13.

The Committee studied the draft report.

On motion of Mr. Isnor, seconded by Mr. Durocher,—
Resolved,—That the draft report be adopted as amended.

On motion of Mr. Isnor,—
Resolved,—That the said report as amended be presented to the House as the Committee's second and final report.

On behalf of Mr. Bertrand (*Prescott*), the Chairman tabled a break-down of language broadcasts over C.B.C. Quebec stations and French program periods on CBK as compiled by the Canadian Broadcasting Corporation.

On motion of Mr. Durocher,—
Resolved,—That the above mentioned table be printed as an appendix to to-day's minutes of proceedings.

Mr. Rennie, seconded by Mr. Ross, moved a vote of thanks to the Chairman for the able manner with which he presided over the deliberations of the Committee.

The Chairman thanked all the members of the Committee for their co-operation and assistance.

The Committee adjourned sine die at 5.55 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

REPORT TO THE HOUSE OF COMMONS

THURSDAY, July 22, 1943.

The Special Committee on Radio Broadcasting begs leave to present the following as a

SECOND AND FINAL REPORT

Your Committee was appointed by a resolution of the House adopted on May 7, 1943. It has held twelve meetings during which it heard the Minister of National War Services, the Chairman of the Board of Governors, the General Manager and various officers of the Canadian Broadcasting Corporation as well as representatives of the Canadian Association of Broadcasters.

In the Report of the 1942 Committee a brief historical review was given on the subject of radio broadcasting in Canada. It would appear unnecessary to repeat it but a reference to it will give a clear understanding of its historical position.

Your Committee would like to preface its recommendations by stating its confidence in the Canadian Broadcasting Act, 1936.

In the reports, as well as in debates in Parliament, a number of principles governing national broadcasting in Canada were enunciated and emphasized. Your Committee now desires to reaffirm these principles as stated in the reports of the Committees for the years mentioned in brackets:—

- (a) The paramount importance of a single national authority to control all broadcasting in the public interest (1932).
- (b) The public ownership of all high-powered stations under a national system of broadcasting, with low power stations individually operated or co-ordinated in relation to the dominant system (1932).
- (c) The co-ordination of all broadcasting in Canada through exclusive control being vested in the nationally owned system of:
 - (i) the character of all programs, political or otherwise, broadcast by all stations and of the advertising content thereof; and
 - (ii) all wire-line networks used for carrying broadcast programs (1936).
- (d) The independence and flexibility of administration of the national broadcasting authority to be assured by its constitution as a public corporation. Under this constitution decisions as to policy are to be made by its Board of Governors while administration is to be unified under a general manager, and an assistant general manager, responsible to the board for the conduct of all business of the Corporation (1934, 1936, 1938).
- (e) Members of the Board of Governors to be persons of broad outlook, having a knowledge of the tastes and the interests of the listening public and able to make a definite contribution to the solution of the problems before the Corporation (1936).
- (f) The independence of the Corporation from partisan control to be assured by its constitution. As a trustee for the people of Canada and the payers of licences, the Board of Governors should render an account of its stewardship regularly to parliament and be subject to ultimate parliamentary control (1938).

- (g) The importance of establishing at as early a date as possible a high power short wave broadcasting station financed as a national undertaking but operated and controlled by the Corporation as an integral part of its system (1938, 1939, 1942).
- (h) Political network broadcasting during federal and provincial election campaigns to be on a sustaining basis and time divided equitably among the political parties (1939, 1942).
- (i) That public broadcasting is a great instrument of education and national unity as well as of entertainment. In war, broadcasting can play a major part in mobilizing the resources of the nation and the will of our people to defend our country and defeat the enemy (1942).

The Committee's attention was directed to the operations of the Corporation since the last parliamentary committee sat in 1942 and reviewed the policies and aims of the Corporation and its regulations, revenues, expenditure and development.

The position of the Canadian Broadcasting Corporation has been a matter of some controversy. We are of the opinion that the position has been clarified by the pronouncement of the Minister of National War Services and also by the declaration of the Prime Minister. To quote the Minister of National War Services in his submission before the Committee of June 9, 1943:—

It has already been stated that the Canadian Broadcasting Corporation exists because of an Act of parliament—the short title of which is the Canadian Broadcasting Act, 1936.

As has already been stated by the Prime Minister and by my predecessor, the corporation is not a department of the government. On February 8 of this year the Prime Minister said “Certainly the government's view is not that the Canadian Broadcasting Corporation is a department of government. It is not; it is a separate corporation. It is, however, a corporation with respect to the affairs of which the government is of the opinion that a committee of this House may be appointed to discuss. There is this difference. The fact that we are having a committee on the Canadian Broadcasting Corporation makes clear that it is in a different category *vis a vis* the House from other corporations.”

Last year, before this committee, Mr. Thorson said as much. Without contradiction I think it might be said, in other words, with perhaps a fuller appreciation by the public, that the Canadian Broadcasting Corporation of presently considerable value and of potentially very great value, belongs to the people of Canada, is operated by a Board of Governors reporting to the minister and through him to the government, parliament and to the real owners, the people of Canada.

Your Committee is pleased to note that many of the recommendations made by the 1942 Committee have been implemented and we believe that such changes have worked out to the betterment of the Corporation and also the listening public. We note the appointment of Dr. James S. Thompson as General Manager, as also the fact that the Board of Governors have rescinded the by-laws whereby authority and control were divided. The position now is “that there shall be a general manager who shall be chief executive of the Corporation and there shall be an assistant general manager of the corporation” and we note that by-laws have been adopted clearly defining the duties of these officials.

Your Committee notes that there have been more frequent meetings of the Board of Governors, and that vacancies on the Board have been more promptly filled. We are of the opinion that in filling these vacancies the Government

should choose men and women of outstanding ability, capable of commanding the confidence of the Canadian people and willing to devote a large part of their time to this national service. They must be able to make a definite contribution to the work of the Corporation as an instrument of national purpose in peace and war. They should, if possible, include people representative of various points of view. Your Committee recommends that the Government progressively strengthen the Board by appointing persons selected because of outstanding ability and genuine interest. The responsibility for success of the Corporation is clearly that of the Board of Governors.

Your Committee is pleased to observe that the Corporation has given consideration to the financial security of its employees and has set up a pension scheme; and while employees do not come under the Civil Service Superannuation Act, the alternative use of government annuities and annuities purchased from chartered insurance companies will meet the needs of the Corporation. The Corporation's contribution on an equal basis is a gesture of good will and we recommend that all present employees be encouraged to take advantage of the scheme and that new employees be obliged to become contributors.

Generally speaking, one of the most satisfying features of the operations of the Corporation during the last year is the progress made in regard to the views expressed by last year's committee.

The principles laid down in the White Paper of 1939 referring to controversial and political broadcasting have been extended to provincial elections.

Radio broadcasting is a public service like publishing a newspaper. It is also a public utility like telephone or telegraph or airway service and the most important thing in all broadcasting is what comes through the receiving set—what reaches the Canadian public in their homes. It is all included under the heading "Programs." It may be the news, news commentaries, public information, forums and discussions, educational features, religious broadcasting, music, drama, entertainment, children's programs, et cetera. A wide diversity of tastes and interests are encountered and to meet the listening public on a variety of levels and endeavour to strike a happy balance will remain a challenge to the ingenuity of those people directing the affairs of the Canadian Broadcasting Corporation.

For all practical purposes, radio has come to civilization and has been developed within the past generation. As a matter of fact, radio as we know it, began after the first great war. The advent of the present war has altered the slowly evolving perspectives of the Canadian Broadcasting Corporation. It has also placed a burden upon the Canadian Broadcasting Corporation because well-defined precedent, for guidance, does not exist. The radio is the newest instrument of modern warfare and its influence is being felt more keenly each day. Radio in the present war serves not only as an instrument of entertainment and general education but it is the most vital morale builder at a nation's command. In addition, the radio has become one of the most subtle intelligence instruments of modern warfare. In short, radio has become one of the major instruments of the state and the responsibility is great for him who would abuse its function by taking only a segmental view of its importance.

The general manager has given a comprehensive review of the whole program situation. It is recorded in the evidence. News broadcasts are perhaps of the first importance because they are public information and the changing aspects of the war make it imperative that the public be kept informed. The financial arrangement whereby use is made of the Canadian Press and British United Press as news-gathering agencies is one of which your Committee approves. While anything of a scandalous or sensational nature should be avoided in news broadcasting, we do believe that news broadcasts and commentaries could be more colourful and realistic. Particularly should it be brought to the listening public, the great part that Canadian forces and the Canadian people in general are playing in the war. Let us always be conscious of our national identity.

Generally speaking, programs are more diversified and of a higher calibre than in the past. Public information with reference to the vast range of activities in which our country is now engaged, is brought to an ever-increasing number of interested listeners. Outstanding speakers of national importance should continue to express their views. Governmental information and appeals should be given the public as such. Public discussions and forums should have continual encouragement and support, as should also educational programs for which more facilities could be provided, even down to the level of our public school system. In higher education, there might be grants made to university stations. Religious broadcasting, music, drama and entertainment will continue to have a large listening audience and at all times should be on a high cultural and moral plane. In wartime, most particularly, the safety and interest of Canada and the United Nations should, first and always, be safeguarded.

Your committee is pleased to see that the Radio Forums continue to present different viewpoints in matters of public interest. We feel that suggestions and criticisms from listeners should be encouraged in order that programs should make the greatest possible contribution to Canadian life and thought.

Your committee has been pleased to learn that the Corporation has been very considerate with reference to its services over the French network to the minority in the Province of Quebec, and that its policy is to extend the similar consideration to the minority in other parts of Canada.

The financial statement which was submitted by the General Manager shows the corporation to be in a splendid liquid position. The corporation is now entirely free of any capital indebtedness, Government loans having been repaid in full, and income derived from licence fees and commercial broadcasting shows a steady increase year by year. Physical plant and equipment are reported as being well maintained, with adequate cash reserves set up, invested as directed by law and net operating profit of \$230,261.50 is shown. The total number of radio users represented by the licence fees is 1,728,880, and the total income is approximately \$5,000,000, and full-time employment is given to 726 persons. The latest available figures show that the CBC basic network serves 92.4 per cent of the population or 96.13 per cent of the radio homes in Canada.

Your Committee is pleased to record its approval of the Government's action by Order in Council P.C. 8168, of September, 1942, authorizing the establishment of a new high power "short wave station" and that the corporation have taken immediate steps to carry through these responsibilities and that an order has already been given for transmitter equipment. Canada may yet be able to play an important part in radio war. At all events we can contribute immensely to a satisfactory solution of after-war problems. Due to the rapid advances in radio engineering and improvements in technical equipment, we suggest the securing of the best expert engineering advice available. In the light of modern developments, technically and structurally, plans may have to be changed, necessitating additional costs. If such be the case, your committee recommends that the government give consideration to an increased appropriation in order that Canada may have the most modern and best equipped short-wave station procurable.

The Canadian Association of Broadcasters gave lengthy evidence outlining the position of the private stations in relation to the whole structure of broadcasting in Canada and summarize their representations in the following excerpts from their brief, submitted before the committees:—

1. That existing licences of independent stations be assured continuance of their licences so long as they operate with due regard to public interest, convenience and necessity.

2. That the independent stations be encouraged to improve their facilities and that they be permitted to increase their power and to arrange for multiple station hookups, and generally to do anything that makes for better broadcasting in the public interest.
3. That the independent stations should have the opportunity of participating in the development and use of all new phases of broadcasting as such development becomes feasible.

Your committee is glad to note the existence of good relations between the corporation and the privately-owned broadcasting stations and recognize that private stations serve a useful function.

We recommend that control over private stations by the C.B.C. should be exercised with fairness and we have no doubt that the new regulations respecting control of private stations, published in the *Canada Gazette* of July 3, 1943, will be administered in that spirit.

Last year your committee recommended that "any increase in power considered necessary and desirable to occupy the channels allowed under the Havana Agreement should be made in stations owned or taken over by the corporation." Evidence was presented to the effect that there may be danger of losing the full use of channels now assigned to Canada by the Havana Agreement. We believe that the corporation should safeguard these channels and, if necessary, consider increasing the power of all stations to the limit of the agreement.

We recommend the exercise of parliamentary scrutiny and control and a yearly review of the aims, policy and business of the corporation.

Evidence was given of the loyalty and devoted services of the staff of the corporation. Your committee believes that the staff of the corporation deserves great credit and praise for the work carried on by them in difficult circumstances.

A copy of the evidence taken before the committee is tabled herewith.
All of which is respectfully submitted.

JAMES J. McCANN, M. D.,
Chairman.

APPENDICES TO EVIDENCE

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DOCUMENTS TABLED AND DISTRIBUTED

Note: The letters E. F. denote those tabled and distributed in both languages.
E. English—F. French.

1. Canadian Broadcasting Corporation annual report for the year ending March 31, 1942. E. F.
2. The Canadian Broadcasting Act (1936) and By-Laws with amendments. E. F.
3. Regulation for broadcasting station (Chap. 24, 1 E D, VIII, S. 22), with amendments. E. F.
4. Canadian Broadcasting Corporation Statement of Policy with respect to Controversial Broadcasting with amendments. E.
5. Extract from the minutes of a meeting of the Board of Governors of the Canadian Broadcasting Corporation held on February 8, 1943, respecting a staff pension fund. E.
6. P.C. 2102 relative to H. B. Chase, Esq. E.
7. P.C. 2235 respecting Mrs. T. W. (Mary) Sutherland, E.
8. P.C. 7833 respecting Mr. W. E. G. Murray. E.
9. P.C. 7934 respecting Dr. James S. Thomson. E.
10. P.C. 9152 concerning amendments to By-Laws. E. F.
11. P.C. 8168 relative to short wave broadcasting. E.
12. Financial report of the Canadian Broadcasting Corporation's general manager to the Board of Governors. E.
13. Canadian Broadcasting Corporation coverage maps. E.
14. Statement showing the issue by provinces of private receiving station licences including gross revenue and costs. E.
15. Comparative statement showing issue of receiving station licences (1941-42 and 1942-43) by provinces and principal towns and cities under provinces.
16. Canadian Broadcasting Corporation annual statistical report for sustaining and commercial programs to March 31, 1943. E.
17. Statement by G. C. W. Browne, assistant comptroller of radio, Department of Transport. E.
18. Amendment to radio regulation 31. E.
19. Station questionnaire issued by Canadian Association of Broadcasters. E.

APPENDIX

BREAKDOWN ON LANGUAGE BROADCASTS OVER C.B.C. QUEBEC STATIONS AND FRENCH PROGRAMME PERIODS ON CBK AS AT THREE PERIODS

Compiled by

CANADIAN BROADCASTING CORPORATION

STATION RELATIONS DIVISION

BREAKDOWN ON LANGUAGE BROADCASTS OVER C.B.C. QUEBEC STATIONS

(Representative Week June 6-12, 1943)

	Number of Hours	Percentage of Hours
Radio Station CBV—Quebec		
French	87:01	80·6
English	20:54	19·4
	107:55	100·0
Radio Station CBF—Montreal		
French	93:40	83·8
English	18:10	16·2
	111:50	100·0
Radio Station CBJ—Chicoutimi *		
French	90:13	83·4
English	18:01	16·6
	108:14	100·0
Radio Station CBM—Montreal		
French .....	.....	.....
English	112:06	100·0
	112:06	100·0

* Week chosen here June 13-19, since previous week's records not available.

FRENCH PROGRAM PERIODS ON CBK

ONE YEAR AGO

(Week of June 7-13, 1942)

All Times MDT

Sunday	Monday through Friday	Saturday
9.15- 9.22 a.m.	9.15- 9.23 a.m.	9.15- 9.24 a.m.
10.00-10.30 a.m.	4.30- 4.45 p.m.	4.30- 4.45 p.m.
	5.00- 5.15 p.m.*	10.00-10.30 p.m.
	5.38- 5.45 p.m.	

*Tuesday and Friday only.

Total weekly hours: 4·31.

Summary: English, 114·29 hours. French, 4·31 hours.

SPECIAL COMMITTEE

SIX MONTHS AGO

(Week of January 10-16, 1943)

Sunday	Monday through Friday	Saturday
9.15- 9.23 a.m.	9.15- 9.21 a.m.*	9.15- 9.21 a.m.
4.30- 4.45 p.m.	4.30- 4.45 p.m.	9.30-10.00 a.m.
9.30-10.00 p.m.	5.15- 5.30 p.m.	4.30- 4.45 p.m.
	5.39- 5.45 p.m.	5.15- 5.30 p.m.
		10.00-10.30 p.m.

*Monday 9.15-9.23 a.m.

Total weekly hours: 6.01.

Summary: English, 107.29 hours. French, 6.01 hours.

AS AT PRESENT

(Week of June 6-12, 1943)

Sunday	Monday through Friday	Saturday
9.15- 9.30 a.m.	9.15- 9.30 a.m.	9.15- 9.30 a.m.
10.00-10.30 p.m.	3.15- 3.30 p.m.	9.30-10.00 a.m.
	4.30- 4.45 p.m.	4.30- 4.45 p.m.
	5.39- 5.45 p.m.	5.15- 5.30 p.m.
		10.00-10.30 p.m.

Total weekly hours: 6.45.

Summary: English, 106.45 hours. French, 6.45 hours.

NOTE.—The term "English programs" includes programs with bilingual announcements. During the week of July 11 to July 17, 1943, such programs amounted to $2\frac{1}{4}$ hours.

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